

**EBL FIRST MUTUAL FUND
INDEPENDENT AUDITORS' REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**



**INDEPENDENT AUDITORS' REPORT
TO THE UNIT HOLDERS
OF
EBL FIRST MUTUAL FUND**

Opinion

We have audited the financial statements of EBL FIRST MUTUAL FUND, which comprise the statement of financial position as at 30 June 2023, and the statement of profit or loss & other Comprehensive Income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects of the statement of financial position of EBL FIRST MUTUAL FUND as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standard Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises all of the information other than the financial statements and our auditor's report thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Emphasis of Matter

We would like to bring attention of the users of this report to the fact that Regent Spinning Mills Corporate Bond-2015 (referred to as "Note-6.03") has been considered non-performing. Therefore, the Bond Trustee along with the Asset Management Company representing bondholders is pursuing the recovery of the principal and interest from the bond's issuer (Regent Spinning Mills Limited).

Key Audit Matters:

Key audit matters are those matters that, in the auditors' professional judgment, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial



statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Risk	Our response to the risk
Valuation of Investments: The Fund's investment portfolio Presented in the Statement of Financial Position at market value in Listed securities Tk. 1,175,367,805 represents 82% of the total assets Tk. 1,433,423,377 as at 30 June 2023. Unrealized Loss in Securities Tk.186,270,767. This is considered to be the key driver of the Fund's capital and revenue Performance. The market value of financial instruments that are traded in an active market is determined based on quoted market prices. Due to their materiality in the context of the financial statements as a whole, they are considered to be the area which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit. See annexed report of date.	<ul style="list-style-type: none"> Testing the key controls over identification, Measurement and management of valuation risk as well as evaluating the methodologies and input parameters used by the Fund in determining fair values. Obtained year-end share holding positions from the fund and through directional testing assessed the completeness of the report; Obtained the CDBL report (DPA6) and share portfolio and cross checked against each other to confirm status of financial instruments; Assessing the adequacy of the disclosures in the financial statements against relevant accounting standards, the security and exchange Rules 1987, security exchange commission (Mutual Fund) Rules 2001 and other applicable laws and regulations.
Note no. 05 to the financial statements	
Net Loss on sale of Trading securities: Net Loss on Sale of trading securities is Represents Tk. 18,640,031 which is 48.84% of the total income of Tk. 38,162,605 for the year ended 30 June 2023.	We have tested- <ul style="list-style-type: none"> Ledgers which is Electronic generated from brokerage house of respected dates of securities sales and buy Buy and Sales rate checked with DSE website of respected dates.
Note no. 15.00 to the financial statements	
Dividend Income: Dividend income of Tk. 48,235,745 for the year ended 30 June 2023.	We have tested the design and operating effectiveness of controls around the due and receivable recording process <ul style="list-style-type: none"> Comparing observable inputs against independent sources and externally available market data. Re-performing the calculations used to check Accuracy and correctness of information. Assessing the adequacy revenue recognition, measurement and disclosures made in relation to the income in the financial statements
Note no. 16.00 to the financial statements	
Management fee: Management fee of Tk. 18,202,904 represents 74.06% of the total expense of Tk. 24,578,615 for the year ended 30 June 2023.	<ul style="list-style-type: none"> Management fee is calculated as per the Trust deed and prospectus @ 1.00% to 2.50% as per slab per annum of the weekly average NAV. Tested some sample basis voucher with ledger balance. Assessing the adequacy expense recognition, measurement and disclosures made in relation to the expense in the financial statements
Expenditure of the financial statements	
Advance Income Tax Advance income Tax of Tk. 9,817,156 shown as tax deducted from dividend and bank interest income for the year ended 30 June 2023.	<ul style="list-style-type: none"> We have tested ledger balances of figures deducted from the dividend & interest income. Mutual Fund income was tax exempted as per SRO No-333-Ain/Aykor/2011 (dated 27.10.2011) under ITO 1984, Section 44(4)(b). The tax exemption of Mutual Fund income remains specified in the Income Tax Act 2023, Sixth Schedule, Part-1, Clause-10 (ka). In



	adherence to this law, the mutual fund has not made any tax provisions in its profit or loss statement and other comprehensive income.
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Note no. 10.00 to the financial statements

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, Bangladesh Securities & Exchange Commission (Mutual Fund) Rule, 2001, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the (consolidated) financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Report on other Legal and Regulatory Requirements

In accordance with the Bangladesh Securities & Exchange Commission (Mutual Fund) Rules 2001, we also report the following:

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Fund so far as it appeared from our examination of those books;
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.
- d) the expenditure incurred and payments made were for the purpose of the Fund Business, and
- e) the information and explanation required by us have been received and found satisfactory.

Place: Dhaka
Dated: August 13, 2023

Md. Iqbal Hossain FCA
Senior Partner, Enrolment No.596 (ICAB)
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

DVC: 2308290596AS825270



EBL FIRST MUTUAL FUND

Statement of Financial Position

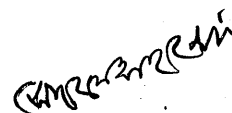
As at 30 June 2023

Particulars	Notes	Amount in Taka	
		30-Jun-23	30-Jun-22
A Assets			
Investment in marketable securities-at Fair Value	5.00	1,175,367,805	903,083,764
Investment in non-listed securities-at Fair Value	6.00	176,802,964	502,919,018
Cash & cash equivalents	7.00	47,614,836	132,047,797
Preliminary & Issue Expenses	8.00	2,093,828	2,434,857
Other Receivables	9.00	18,675,507	9,092,889
Advance, Deposit & Prepayments	10.00	12,868,437	4,772,750
Total assets		1,433,423,377	1,554,351,076
B Liabilities			
Liabilities for expenses	11.00	9,722,185	6,028,262
Unclaimed Dividend	7.01	6,407,175	4,794,394
Other liabilities	12.00	3,145,053	702,830
Total Liabilities		19,274,412	11,525,487
C Net assets (A-B)		1,414,148,965	1,542,825,589
D Equity			
Capital Fund	13.00	1,447,542,220	1,447,542,220
Dividend Equalization & TRR Reserve		5,300,000	66,905,434
Retained Earnings		(38,693,255)	28,377,935
Total Equity		1,414,148,965	1,542,825,589
Net Assets Value (NAV)-at Cost	14.00	1,615,988,615	1,692,343,163
No. of unit		144,754,222	144,754,222
		11.16	11.69
Net Assets Value (NAV)-at Fair Value	14.00	1,414,148,965	1,542,825,589
No. of unit		144,754,222	144,754,222
		9.77	10.66

These financial statements should be read in conjunction with annexed notes


Asset Manager

Bangladesh RACE Management PCL




Trustee

Investment Corporation of Bangladesh

See annexed report of the date

Place: Dhaka

Date: August 13, 2023


Mr. Iqbal Hossain FCA
Partner, Enrolment no. 596 (ICAB)
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

DVC: 2308290596AS825270




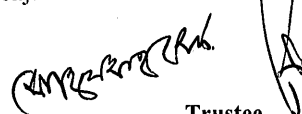


EBL FIRST MUTUAL FUND
Statement of Profit or Loss & other Comprehensive Income
For the year ended June 30, 2023

Particulars	Notes	Amount in Taka	
		30-Jun-23	30-Jun-22
A INCOME			
Net profit on sale of investment	15.00	(18,640,031)	64,062,840
Dividend from Investment	16.00	48,235,745	54,743,168
Financial Income	17.00	8,566,891	26,266,210
Total Income		38,162,605	145,072,218
B EXPENDITURE			
Management fee	18.00	18,202,904	20,158,825
Amortization of preliminary & issue exp.	8.00	341,029	341,030
Trustee fee	19.00	1,000,000	1,000,000
BSEC annual fee	20.00	1,447,542	1,447,542
Custodian fee	21.00	1,370,459	1,534,949
CDBL charges	22.00	402,940	524,850
CSE annual fee		589,509	591,119
DSE annual fee		589,509	591,119
Bank Charges		176,340	183,956
Audit fee		57,500	51,750
Expenses for Capital Market Stabilization Fund	23.00	103,523	4,054,400
Printing Publication & IPO expenses		297,361	748,917
Total expenditure		24,578,615	31,228,458
Profit before Provision(A-B)		13,583,990	113,843,760
(Total Provision for VAT & writeoff)/ write back against erosion of fair value	24.00	(55,408,081)	(85,654,529)
Net Profit after Provision transferred to retained earnings		(41,824,091)	28,189,231
Other Comprehensive Income:			
Unrealized gain/(loss)		-	-
Total Profit or Loss and Other Comprehensive Income		(41,824,091)	28,189,231
Earnings Per Unit (EPU) for the year	25.00	(0.29)	0.19


These financial statements should be read in conjunction with annexed notes.


Asset Manager
Bangladesh RACE Management PCL


Trustee
Investment Corporation of Bangladesh

See annexed report of the date

Place: Dhaka
Date: August 13, 2023


Md. Iqbal Hossain FCA
Partner, Enrolment no.596 (ICAB)
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants





EBL FIRST MUTUAL FUND
Statement of Changes in Equity
For the year ended June 30, 2023

Amount in Taka

Particulars	Capital Fund	Dividend Equalization & TRR Reserve	Retained Earnings	Total Equity
Balance at June 30, 2022	1,447,542,220	66,905,434	28,377,935	1,542,825,589
Dividend for 2021-2022 (Cash)	-	-	(86,852,533)	(86,852,533)
Dividend Equalization & TRR Reserve	-	(61,605,434)	61,605,434	-
Net profit for the year	-	-	(41,824,091)	(41,824,091)
Balance at June 30, 2023	1,447,542,220	5,300,000	(38,693,255)	1,414,148,965

Statement of Changes in Equity
For the year ended June 30, 2022

Particulars	Capital Fund	Dividend Equalization & TRR Reserve	Retained Earnings	Total Equity
Balance at June 30, 2021	1,447,542,220	66,905,434	188,369,193	1,702,816,847
Dividend for 2020-2021 (Cash)	-	-	(188,180,489)	(188,180,489)
Net profit for the year	-	-	28,189,231	28,189,231
Balance at June 30, 2022	1,447,542,220	66,905,434	28,377,935	1,542,825,589

Asset Manager

Bangladesh RACE Management PCL

Trustee
Investment Corporation of Bangladesh

See annexed report of the date

Md. Iqbal Hossain FCA
Partner, Enrolment no. 596 (ICAB)
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

Place: Dhaka
Date: August 13, 2023



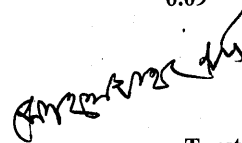


EBL FIRST MUTUAL FUND
Statement of Cash Flows
For the year ended June 30, 2023

Particular	Amount in Taka	
	30-Jun-23	30-Jun-22
A. Cash flows from operating activities:		
Net profit on sale of investment	(18,640,031)	64,062,840
Dividend from Investment	49,815,445	53,963,640
Financial Income	2,918,074	43,140,705
Operating expenses	(21,451,298)	(26,701,488)
	12,642,190	134,465,697
B. Net cash flows from operating activities		
Cash flows from investing activities:		
Net investment in securities	(11,835,398)	31,483,002
	(11,835,398)	31,483,002
C. Net cash used in investing activities		
Cash flows from financing activities:		
Dividend paid (2021-2022)	(86,852,533)	(188,180,489)
Unclaimed Dividend	1,612,781	4,794,394
Net cash from financing activities	(85,239,753)	(183,386,094)
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	(84,432,961)	(17,437,396)
E. Opening cash and cash equivalents	132,047,797	149,485,192
F. Closing cash and cash equivalents (D+E)	47,614,836	132,047,797
Net Operating Cash Flow Per Unit (NOCFPU)	0.09	0.93

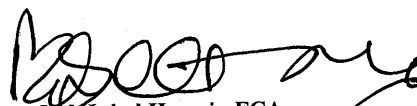


Asset Manager
Bangladesh RACE Management PCL



Trustee
Investment Corporation of Bangladesh

See annexed report of the date



Md. Iqbal Hossain FCA
Partner, Enrolment no. 596 (ICAB)
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

Place: Dhaka
Date: August 13, 2023





EBL First Mutual Fund
Notes to the Financial Statements
For the year ended June 30, 2023

1. The fund and legal status

EBL First Mutual Fund (hereinafter called as "Fund") was established under a Trust Deed signed on 05 April 2009 between Eastern Bank Limited (EBL) as a 'Sponsor' and Investment Corporation of Bangladesh as a "Trustee". The Fund was registered under the Trust Act 1882 as well as under the Bangladesh Securities and Exchange Commission (BSEC) on 19 April 2009 vide registration code no. SEC/Mutual Fund/2009/09 under the Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001. The operations of the Fund was commenced on 19 August 2009 by listing with Dhaka and Chittagong Stock Exchanges.

As provided in Trust Deed, Bangladesh RACE Management PCL, an asset management company, is the Fund Manager. Bangladesh RACE Management PCL was incorporated as a private limited company under Companies Act 1994 on March 2008.

EBL First Mutual Fund is a close-end Mutual Fund of twenty years' tenure. The objectives of the Fund are to provide regular dividend to the investors by investing the Fund both in capital and money market instruments. The Fund consists of 14,47,54,222 units of BDT 10 each. The units of the Fund are transferable.

2. Objectives

The objective of EBL First Mutual Fund is to provide attractive dividends to its unit-holders by earning superior risk adjusted return from a diversified investment portfolio.

3. Basis of preparation

3.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) and as per requirements of the Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001, Trust Deed and other applicable laws and regulations.

3.2 Basis of measurement

These financial statements have been prepared on a going concern and accrual basis under historical cost convention and initial fair value for identical asset using trade date accounting in accordance with generally accepted accounting principles.

3.3 Functional and presentational currency

These financial statements are presented in BDT, which is also the Fund's functional and presentational currency.

3.4 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

3.5 Reporting period

These financial statements are prepared for the period from 01 July 2022 to 30 June 2023.

3.6 Taxation

The income of the Fund is exempted from Income Tax as per Bangladesh Gadget, Act no. 12 of the year 2023 approved by The President of The Peoples Republic of Bangladesh dated June 22, 2023





4. Significant accounting policies

The accounting policies set out below have been applied throughout the period presented in these financial statements.

4.1 Investment policy

The investment policy of the Fund as summarised below has set in accordance with Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001 including amendments if any:

- (i) as per Rule 55 (02) of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001 as amended, at least 60% of total assets of the Fund is to be invested in capital market out of which at least 50% will be in listed securities;
- (ii) as per fifth schedule, no term loan and advance shall be given from mutual fund.
- (iii) as per fifth schedule not more than 10% of total assets of one scheme of a mutual fund shall be invested in one company's share.
- (iv) as per fifth schedule not more than 15% of paid-up capital of a company's share shall be invested from all schemes of a mutual fund.
- (v) as per fifth schedule not more than 20% of one or group of companies' share, debenture or other securities shall be invested from all schemes of a mutual fund.
- (vi) as per fifth schedule not more than 25% in one sector/industry's share, debenture or other securities shall be invested from all scheme of a mutual fund.
- (vii) as per fifth schedule investment or loan from one scheme to another scheme shall not be made under one asset management company
- (viii) as per fifth schedule a mutual fund shall not make any loan for investment purpose
- (ix) as per fifth schedule, no expenses shall be charged in year more than 4% of weekly average NAV annually.

4.2 Valuation of Investment at Fair Value:

Fair Value is a market-based measurement. It is to estimate the price at which an orderly transaction to sell the assets or to transfer the liability would take place between market participants at the measurement date under current market condition. As per IFRS-13, EBL First Mutual Fund (the fund) adopts the assumption the market participants would use when pricing the assets, including assumptions about risk (a) the risk inherent in a particular valuation technique used to measure fair value (such as pricing model); and (b) the risk inherent in quoted price/input to the valuation technique.

4.3 Dividend Policy

As per Rule 66 of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001 as amended, the Fund is required to distribute its profit in the form of dividend in cash to its unit holders an amount which shall not be less than 70% of annual profit during the year, net of provisions and net of negative retained earnings brought forward balance.

4.4 Cash & cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances and fixed deposits.

4.5 Net asset value calculation

NAV per unit is being calculated using the following formula:

$$\text{Total NAV} = \text{VA} - \text{LT}$$

$$\text{NAV per unit} = \text{Total NAV} / \text{No. of units outstanding.}$$

VA: Value of all securities in vault + Value of all securities placed in lien + Cash in hand and bank balances + Value of all securities receivables + receivables of proceeds of sale of investments + Dividend receivable, net tax + Interest receivable, net of tax + Issue expenses amortised on that date + Printing, publication and stationery expenses amortised on date.

LT: Value of all securities payable + Payable against purchase of investments + Payable as brokerage and custodial charges + Payable as trustee fee + All other payable related to printing, publication and stationery + Accrued deferred expenses with regard to management fee, annual fee, audit fee and safe keeping.





4.6 Provisions

A provision is recognised if, as a result of a past event, the Fund has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the reporting period. Provision for market unrealised loss shall be made in accordance with the rule 3(d) of 6th schedule of Mutual Fund Bidhimala 2001 and in case of provision write back.

4.7 Revenue recognition

Gains/losses arising on sale of investment are included in the Profit and Loss Statement on the date at which the transaction takes place. Dividend and interest income are recognised as per IFRS-15 and Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001.

4.8 Statement of cash flows

Cash flows from operating activities have been presented under direct method.





05.00 Investment in marketable securities at fair value

Capital Market Securities-Listed:

5.01

Amount in Taka	
30-Jun-23	30-Jun-22
1,175,367,805	903,083,764
1,175,367,805	903,083,764

5.01 Capital Market Securities-Listed:

Sector/ Category	Amount in Taka				
	No. of Shares	Cost Value	Fair Value as on 30 Jun 2023	Required (Prov.)/ Excess	Fair Value as on 30 Jun 2022
Bank	25,102,051	453,988,791	391,355,584	(62,633,207)	345,974,082
Cement	10,017	4,640,175	2,669,531	(1,970,644)	10,196,067
Corporate Bond	180	159,878	189,540	29,662	193,770
Food and Allied	171,597	111,373,317	89,007,364	(22,365,953)	93,262,970
Fuel and Power	1,558,972	100,605,651	79,085,811	(21,519,840)	85,379,888
Insurance	1,401,431	88,570,439	75,677,274	(12,893,165)	5,767,542
Miscellaneous	7,516	13,535,640	13,482,952	(52,687)	20,846,558
Mutual Funds	8,320,621	85,076,423	73,425,100	(11,651,323)	74,911,078
NBFI	72,070	4,993,730	3,351,255	(1,642,475)	3,459,360
Pharma	518,155	303,727,648	282,753,311	(20,974,337)	143,484,491
Tannery	54,346	57,963,813	55,259,013	(2,704,800)	7,813,525
Telecommunication	605,435	137,003,068	109,111,071	(27,891,997)	111,794,434
Total	37,822,391	1,361,638,572	1,175,367,805	(186,270,767)	903,083,764

06.00 Investment in non-listed securities

BSEC approved Non-listed Unit Fund (Category A)

06.01

3,431,116

3,598,570

BSEC approved investment in private equity of non-listed company (Category B)

06.02

109,371,847

76,797,735

BSEC approved Bond (Category C)

06.03

64,000,000

422,522,713

176,802,964

502,919,018

06.01 BSEC approved Non-listed Unit Fund (Category A):

Particulars	No of Quantity	Amount in Taka			
		Cost Value	Fair Value as on 30 Jun 2023	Required (Prov.)/ Excess	Fair Value as on 30 Jun 2022
HFAML Unit Fund	356,294	3,000,000	3,431,116	431,116	3,598,570
Total BSEC approved Non-listed Unit Fund (Category A)	356,294	3,000,000	3,431,116	431,116	3,598,570

06.02 BSEC approved investment in private equity of non-listed company (Category B):

Particulars	No of Quantity	Amount in Taka			
		Cost Value	Fair Value as on 30 Jun 2023	Required (Prov.)/ Excess	Fair Value as on 30 Jun 2022
Best Holding Limited	492,308	32,574,112	32,574,112	-	-
Padma Bank Ltd.	3,500,000	44,722,223	44,722,223	-	44,722,223
Multi Securities & Services Ltd.	2,372,290	32,075,512	32,075,512	-	32,075,512
Total BSEC approved investment in private equity of non-listed company (Category B)	6,364,598	109,371,847	109,371,847	-	76,797,735

06.03 BSEC approved Bond (Category C):

Particulars	No of Quantity	Amount in Taka			
		Cost Value	Fair Value as on 30 Jun 2023	Required (Prov.)/ Excess	Fair Value as on 30 Jun 2022
Best Holding Ltd. Convertible Bond	-	-	-	-	32,000,000
Premier Bank Ltd. Corporate Bonds	-	-	-	-	350,522,713
Regent Spinning Mills Corporate Bond-2015	8	80,000,000	64,000,000	(16,000,000)	40,000,000
Total BSEC approved Bond (Category C)	8	80,000,000	64,000,000	(16,000,000)	422,522,713

Net Provision Taken (5.01+6.01+6.02+6.03)

(201,839,651)

(149,517,574)





Amount in Taka	
30-Jun-23	30-Jun-22

***** 6.04 Investment in non-listed securities**

As on June 30, 2023 the Fund held a total of Tk 176,802,964 in non-listed securities. Each of these investments have been made by the Fund post regulatory (BSEC) approval. There are three categories of such investments (A) BSEC approved Non-listed Unit Fund; (B) BSEC approved investment in private equity of non-listed company; (C) BSEC approved Bond. The Category (A) investments are valued at the repurchase price which is enforceable on June 30, 2023 declared by respective AMC and this is also a quoted price as per IFRS-13. The investments in Category (B) are held at cost price as the underlying companies are going concerns. The valuation of Category (C) investments are valued at fair value by applying the methodology as per IFRS-13 using Present Value technique under Income approach and in compliance with Rules 58 of Securities and Exchange Commission (Mutual Fund) Bidhimala, 2001.

Category A for BSEC approved non-listed unit fund:

Investments are valued at the repurchase price which is enforceable on June 30, 2023 declared by respective AMC.

Category B. For Non-Listed Private Equity -BSEC approved (Padma Bank limited and Multi Securities & Services Limited & The Best Holdings Limited):

The Fund has invested in the equity of three non-listed private companies (private equity investments), namely the (i) Padma Bank Limited and (ii) Multi Securities & Services Limited, both of which are regulated; the Padma Bank Limited is regulated by Bangladesh Bank and the Multi Securities & Services Limited is regulated by Bangladesh Securities and Exchange Commission, and the quasi-regulators the Dhaka Stock Exchange and the Chittagong Stock Exchange. There is a third investment in this category, namely (iii) the pre-IPO placement equity of Best Holdings Limited. We comment in more detail on each of these three investments below:

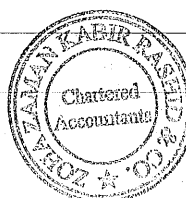
(i) Padma Bank Limited: The Fund has investment in equity of private company Padma Bank Limited (the "PBL") which has been approved by BSEC vide letter no. SEC/MF & SPV/MF-02/2009/467 dated May 31, 2012. The PBL is a Bangladesh Bank Regulated entity and going concern. Moreover, PBL private equity is owned by Govt. Banks and financial institutions which owns 65% or a majority of the total equity of the banks. Therefore, Padma Bank Ltd. is considered a going concern and the investment is held at cost by the Fund for a total investment amount of Tk. 44,722,223 Fair Value of the similar category of listed banks is above cost.

(ii) Multi Securities and Services Limited: The Fund has investment in equity of private company Multi Securities and Services Limited (MSSL) which has been approved by BSEC vide letter no. SEC/MF & SOV/MF-02/2009/783 dated November 04, 2015. The company is regulated by BSEC and is going concern and has been paying dividend regularly. Using prudence and conservative principal of accounting this investment is also held at cost by the Fund for a total investment amount of Tk. 32,075,512.

(iii) The Best Holdings Limited: The Fund has investments in the pre-IPO equity of private company the Best Holdings Limited (BHL). The private equity holdings are the result of the conversion of the Fund's holdings in the Best Holdings Limited Corporate Bond, a capital market security which was approved by the Bangladesh Securities & Exchange Commission vide its consent BSEC/CI/DS-47/2015/80, February 14, 2017 to raise capital through institutional private placement. The Trustee of the Bond is well reputed Green Delta Insurance Company Limited. Background of the conversion is as follows: In consideration of the Covid-19 pandemic related significant business loss suffered by the Hospitality sector in which Best Holdings Limited (BHL) operates, the Financial Instructions Division of the Ministry of Finance of the Government of Bangladesh vide its letter 53.00.0000.331.37.002.20.375 instructed bondholders and equity holders who participated in the BHL capital raise to restructure the cash flow requirements from the Bond and equity investment instruments. Based on the better cash inflow opportunity for the equity compared to the bond, the Investment Committee of the Fund, along with some other Bondholders, chose to convert the Bond holding into BHL equity as a pre-IPO equity placement, subject to the Issuer obtaining the necessary regulatory approvals. Subsequently the regulator BSEC has issued a gazette (dated 27 July, 2023 ref: BSEC/CMRRCD/2009-193(part#06)/64/PRD/146, which has provided an implied exemption to the Bond conversion. The investment is now held at cost in the total amount of Tk. 32,574,112, which is equivalent to the principal outstanding. In the event that the regulatory approval (post facto) sets a date certain that is after the Fund's conversion date, then it may give rise to a contingent claim: depending on the regulatory decision as to which date the conversion shall occur, there may arise a claim on the Issuer of interim interest to be settled in cash or kind (equity), in the amount of taka 8,860,800/=, to be paid by Issuer in cash or kind. Due to the related uncertainties, out of prudence, the Trustee and Investment Committee of the Fund has decided to not recognize this amount in the financial statements of the Fund, and may realize it as income only after the uncertainties are resolved.

C. For Non-Listed Bond (Regent Corporate Bond-2015

(i) Regent Spinning Mills Corporate Bond-2015: The Fund has investments in Regent Corporate Bond 2015 (the "Regent Bond"), which has been issued by Regent Spinning Mills Limited (the "Issuer") and was approved as a capital market security by Bangladesh Securities Exchange Commission approved vide BSEC letter, BSEC/CI/DS/23/2015/195, dated May 19, 2015. As on June 30, 2023 the Mutual Fund held 8 units of the Bond with Face Value of Taka 1.0 crore per unit for a total amount of Tk 80,000,000. The Regent Bond has not paid any coupon since the onset of Covid-19 pandemic in FY 2019-20, a development that has been disclosed in the financial statements of the Fund for FY 2020-21 and FY2021-22. The concern authority has conducted an initial assessment of the Regent Bond which included physical inspection of the premises, upon which it has assessed the Issuer business is a going-concern. Moreover, the assessment of assets of the Issuer, the corporate guarantor Regent Spinning Mills Limited and its group Directors as personal guarantor are held to cover the outstanding principal and interest against the Regent Bond. The Trustee and Bondholders are actively pursuing recovery efforts.





Amount in Taka	
30-Jun-23	30-Jun-22

07.00 Cash & cash equivalents:

Operational Accounts

Eastern Bank Limited-(A/C-01011320000017)	16,325,955	26,834,703
South East Bank Limited-(A/C-008313100000004)	323,016	50,713,382
Dhaka Bank Limited-(A/C-2011520000037)	11,069,130	10,731,192
Padma Bank Limited-(A/C0113000389123)	8,932,856	10,395,930
One Bank Limited-(A/C-01230000642)	3,881,997	28,474,672
One Bank Limited- (A/C-0182100000035)	674,708	-
Premier Bank Limited-(A/C-010413600000001)	-	-

IPO & Dividend Accounts:

Eastern Bank Limited-(A/C-1011360198462)	-	-
Brac Bank Limited-(A/C-1513101851339001)	-	-
Eastern Bank Limited-(A/C-1141360096303)	-	-
South East Bank Limited-(A/C-8313100000039) Close	-	-
South East Bank Limited-(A/C-8313100000132) Close	-	-
South East Bank Limited-(A/C-8313100000187) Close	-	-
Southeast Bank Limited-(A/C -8313100000250) Close	-	-
One Bank Limited-(A/C-0013000001186) Close	-	-
Eastern Bank Limited-A/C-010113200000030	-	-
One Bank Limited-(A/C-0183000001456)	2,735,819	-
Bank Asia Limited-(A/C-04936000129)	1,935	1,901
Bank Asia Limited-(A/C-04936000136)	10,413	1,002,096
Bank Asia Limited-(A/C-04936000151)	3,659,008	3,893,920
	47,614,836	132,047,797

7.01 Unclaimed Cash Dividend

Year 2021-2022	2,735,819	-
Year 2020-2021	3,659,008	3,893,920
Year 2018-2019	10,413	898,573
Year 2017-2018	1,935	1,901
	6,407,175	4,794,394

08.00 Preliminary & Issue Expenses:

Opening balance	2,434,857	2,775,887
Less: Amortization during the year	341,029	341,030
	2,093,828	2,434,857

09.00 Other Receivables:

Receivable from Brokerhouse	5,612,305	98,805
Dividend Receivable	3,063,202	4,642,902
Interest Receivable	10,000,000	4,351,183
	18,675,507	9,092,889

09.01 Dividend Receivable

AB BANK Ltd.	-	160,041
Bata Shoe Company (Bangladesh) Ltd.	-	20,865
BERGER PAINT Ltd.	-	240,320
City Bank Ltd.	-	538,125
EXIM Bank Ltd.	2,054,200	77,100
First Securities Islami Bank	-	965,208
HEIDELBERG CEMENT.	10,017	127,145
IBBLPBOND	12,402	-
Multi Securities and Services Ltd.	666,242	474,630
NCC Bank Ltd.	-	1,687,573
Standard Bank Ltd.	189,269	239,726
United Commercial Bank Ltd.	13,296	-
Union Bank Ltd.	117,777	112,169
	3,063,202	4,642,902





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Chartered Accountants

10.00 Advance, Deposit & Prepayments:

Advance income tax (AIT) at source
Security Deposit (CDBL)
Prepayments

10.01

Amount in Taka	
30-Jun-23	30-Jun-22
9,817,156	1,721,469
500,000	500,000
2,551,281	2,551,281
12,868,437	4,772,750

The Mutual Fund was tax exempted from inception, therefore during the year 2022-2023 National Board of Revenue (NBR) issued a letter for deduction of tax from dividend income upon query of some clients. Some clients deducted AIT from Fund's dividend income. Presently The income of the Fund is exempted from Income Tax as per Bangladesh Gadget, Act no. 12 of the year 2023 approved by The President of The Peoples Republic of Bangladesh dated June 22, 2023. RACE management PCL took the activities to collect the deducted Tax from clients. Now it is under process.

10.01 Prepayments:

Advance BSEC Annual fee
Advance CDBL Annual fee
Advance CSE Annual fee
Advance DSE Annual fee
Advance Trustee fee-ICB

1,447,542	1,447,542
14,230	14,230
294,755	294,755
294,755	294,755
500,000	500,000
2,551,281	2,551,281

11.00 Liabilities for expenses:

Management fee
Custodian fee
Audit fee
Payable to Brokerhouse
Publication Expenses
Postage & Currier expense

8,522,290	49,256
656,734	694,516
45,000	40,500
142,827	4,888,656
325,100	325,100
30,234	30,234
9,722,185	6,028,262

12.00 Other liabilities:

Liabilities for Tax
Liabilities for VAT
Liabilities for other payable

386,804	702,830
1,552,373	-
1,205,876	-
3,145,053	702,830

13.00 Capital Fund:

Size of capital fund
144,754,222 units of Taka 10 each

1,447,542,220	1,447,542,220
1,447,542,220	1,447,542,220

14.00 Net Asset Value (NAV)

Total Net Assets Value at Cost
No of unit
Per Unit NAV at Cost
a. Total Net Assets Value at Cost
b. (Unrealized loss) or Unrealized Gain
Total Net Assets Value at Fair Value (a+b)
No of unit
Per Unit NAV at Fair Value

1,615,988,615	1,692,343,163
144,754,222	144,754,222
11.16	11.69
1,615,988,615	1,692,343,163
(201,839,651)	(149,517,574)
1,414,148,965	1,542,825,589
144,754,222	144,754,222
9.77	10.66

15.00 Net profit on sale of investment:

Net Profit on sale of investment

(18,640,031)	64,062,840
(18,640,031)	64,062,840

16.00 Dividend from Investment:

Dividend from Investment

16.01

48,235,745	54,743,168
48,235,745	54,743,168





16.01 Dividend from Investment

AB BANK Ltd.
ACI
APEXFOOT
Bangladesh General Insurance Company
Bank Asia Ltd.
Bata Shoe Company (Bangladesh) Ltd.
BATBC
BERGER PAINT Ltd.
Best Holding Ltd.
BEXIMCO
Beximco Pharmaceuticals Ltd.
Brac Bank Ltd.
City Bank Ltd.
Dutch Bangla Bank Ltd.
Eastern Bank Ltd.
EXIM Bank Ltd.
FIRST SECURITY BANK Ltd.
Fraction Dividend
Grameen Phone Ltd.
HEIDELBERG CEMENT
HFAML UNIT FUND
IBBLPBOND
ICB AMCL Converted first unit fund
ICB3RDNRB
ICBEPMFIS1
IDLC
Linde Bangladesh Limited
LR Global MFI
Marico Bangladesh
MULTI-EQUITY ESCROW
NCC BANK Ltd.
NCCBL MUTUAL FUND-I
PF1STMF
Premier Bank Ltd.
Prime Bank Ltd.
PRIMEIICBA
Renata Pharmaceuticals Ltd.
Robi Axiata Ltd.
Shah Jalal Bank Ltd.
Square Pharmaceuticals Ltd.
Standard Bank Ltd.
Summit Power Ltd.
Union Bank Limited
United Commercial Bank Ltd.

Amount in Taka	
30-Jun-23	30-Jun-22
-	160,041
-	153,568
-	7,575
117,037	-
-	406,229
1,412,996	104,325
3,431,940	4,718,918
-	360,800
492,800	246,400
-	1,138,435
951,202	951,202
309,501	287,946
-	538,125
2,365,916	2,150,887
1,558,125	265,000
3,558,780	77,110
-	965,208
-	13,853
7,677,410	9,482,150
10,017	127,145
213,776	356,294
12,402	12,438
-	55,845
348,550	538,300
196,225	258,300
108,105	103,007
803,250	1,051,875
2,329,316	6,239,613
-	233,080
949,261	949,261
-	1,685,814
1,561,756	3,123,512
99,475	129,300
10,033,055	9,120,950
1,432,298	1,432,298
205,225	337,875
4,216,352	537,659
175,700	50,200
29,202	23,194
697,960	418,776
189,269	239,726
2,617,740	5,389,465
117,777	112,169
13,327	189,301
48,235,745	54,743,168

17.00 Financial Income:

Interest Income from Corporate Bonds
Interest Income from Bank Accounts

5,633,181	20,138,376
2,933,710	6,127,834
8,566,891	26,266,210

18.00 Management fee:

18,202,904	20,158,825
18,202,904	20,158,825

The Asset Management Company shall be paid annual management fee @ 2.50% per annum of the weekly average NAV up to Tk. 5 crore and @ 2.00% per annum for additional amount of the weekly average NAV above Tk 5 crore up to Tk. 25 crore and @ 1.50% per annum for additional amount of the weekly average NAV above Tk 25 crore upto to Tk 50 crore and @ 1.00% per annum for addition amount of the weekly average NAV over TK 50 crore as per Trust deed 4.3.14.

19.00 Trustee fee:

1,000,000	1,000,000
1,000,000	1,000,000

Investment Corporation of Bangladesh (ICB), the trustee of the fund is entitled to get an annual Trusteeship fee @ 0.10% of the net asset value per annum, payable semi-annually in advance basis during the entire life of the fund as per Trust deed





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20.00 BSEC annual fee:

Annual fee paid to BSEC as per Rules 11 (1) of Bangladesh Securities and Exchanges Commission (Mutual Fund) Bidhimala, 2001.

21.00 Custodian fee:

Investment Corporation of Bangladesh, the custodian of the fund is entitled to receive a safekeeping fee @ 0.10% on the balance of securities calculated on average month end value per annum as per Trust Deed.

22.00 CDBL charges

CDBL charge paid to Central Depository Bangladesh Limited (CDBL) as per Annex A 1 of CDBL Bye Laws (3,7).

23.00 Expenses for Capital Market Stabilization Fund:

In compliance with BSEC Rule-SEC/SRMIC/165-2020/part-1/166 unpaid/ unclaimed dividend with accrued interest has been transferred to BSEC Capital Market Stabilization Fund. This figure had been accrued as income in previous period but balance was not transferred to operation accounts, now full amount of unclaimed dividend and accrued interest transferred to CMSF fund as per new circular.

24.00 (Total Provision for VAT and write off)/ write back against erosion of fair value

Provision for previous year B/F		(149,517,574)	(67,111,870)
Capital Market Securities-Listed	05.01	(186,270,767)	(162,638,857)
BSEC approved Non-listed Unit Fund (Category A)	06.01	431,116	598,570
BSEC approved investment in private equity of non-listed company (Category B)	06.02	-	-
BSEC approved Bond (Category C)	06.03	(16,000,000)	12,522,713
Required Provision		(52,322,077)	(82,405,704)
Provision for VAT		(3,086,004)	(3,248,825)
		(55,408,081)	(85,654,529)

25.00 Earnings Per Unit (EPU) for the year

Net profit for the year (numerator)	(41,824,091)	28,189,231
Number of units (denominator)	144,754,222	144,754,222
Earnings per unit	(0.29)	0.19

26.00 Events after the reporting period

The Trustee of the Fund has declared no dividend for the year ended June 30, 2023 and the record date will be on September 04, 2023 at the meeting held on August 13, 2023.

27.00 Others

- These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.
- Figures in these notes and annexed financial statements have been rounded off to the nearest BDT.
- Figures of previous year have been rearranged wherever considered necessary, to conform with the current year's presentation.

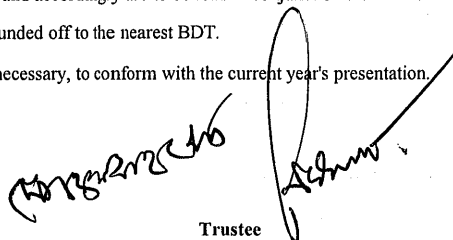


Asset Manager

Bangladesh RACE Management PCL

Place: Dhaka

Date: August 13, 2023



Trustee

Investment Corporation of Bangladesh

