Proud Member of
AlliottGlobalAlliance™

AUDITORS' REPORT

OF

FINANCIAL STATEMENTS

OF

AB BANK 1ST MUTUAL FUND

FOR THE YEAR ENDED JUNE 30, 2023

Since -1967

K. M. ALAM & CO.
CHARTERED ACCOUNTANTS

Head Office, Dhaka : 46, Mohakhali (12th Floor), Dhaka-1212, Bangladesh
Tel: 02222285697, E-mail : k.monowar@kmacobd.com, www.kmacobd.com
Branch Office, Dhaka: 80, Motijheel C/A (4th Floor), Dhaka-1000, Bangladesh
Tel : 02223386990, 0247123083
Branch Office, Khulna: 5, KDA Avenue (6th Floor), Khulna-9100, Tel: 041-2830395

Table of Contents

Sl. No.	Particulars	Page No.
01	Auditors' Report	1-4
02	Statement of Financial Position	5
03	Statement of Profit or Loss and other Comprehensive Income	6
04	Statement of Changes in Equity	7
05	Statement of Cash Flows	8
06	Notes to the Accounts	9-16

Independent Auditor's Report To the Unit Holders of AB Bank 1st Mutual Fund

Opinion

We have audited the financial statements of AB Bank 1st Mutual Fund (the Fund), which comprise the Statement of Financial Position as at 30 June 2023, the Statement of Profit or Loss and 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, the financial position of AB Bank 1st Mutual Fund as at 30 June2023, and 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards 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 the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

We would like to draw attention of the users of this report on the fact that Regent Spinning Mills Corporate Bond-2015 is a non-performing investment (See note 6.04) and the Bond maturity date has already been expired. The Bond issuer has not paid any coupon interest since FY 2019-2020. Bond Trustee and the Asset Management Company representing the bondholders are pursuing the recovery of the overdue amounts (principal and interest) from the bond's issuer.

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 is 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.

Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters 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. Key audit matters were identified 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

Branch: Paramount Heights (4th Floor), D2, 65/2/1, Box Culvert Road, Purana Paltan, Dhaka-1000, Tel: 01914-545189, E-mail: bhossain08@yahoo.com
Head Office: 46, Mohakhali C/A (12th Floor), Dhaka-1212, Tel: 02222285697, E-mail: k.monowar@kmacobd.com, www.kmacobd.com

opinion on these matters. We summarize below the key audit matters in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public limited entities, our results from those procedures.

Risk	Our response to the risk
Revenue/ Financial Income:	
Revenue Income constitutes income generated from the fund from sales of securities, dividend and interest income.	With respect to Financial Income in respect of Fund Management we carried out the following procedures: • The design and operating effectiveness of key controls around Financial Income recognition process. • Carried out analytical procedures and recalculated Financial Income for the period. • Ensured on a sample basis that the Financial Income was being accrued/accounted properly. • Ensured on a sample basis that the Financial Income was being credited in the designated bank account.
Investments in Securities:	
The Fund's investment portfolio listed which is carried at market value makes up 76% of the total assets as at 30 June 2023. This is considered to be the key driver of the Fund's assets and revenue performance. The market value of financial instruments that are upgraded in an active market is determined based on the market price as on 30 June 2023.	With respect to Valuation of Investments in respect of Fund Management we carried out the following procedures: • The design and operating effectiveness of key controls around Valuation of Investments recognition process. • Carried out analytical procedures and verify the valuation of Investments at fair value/market value for the period • Ensured on a sample basis that the Valuation of Investments was correct and exists at the balance sheet date. • Comparing observable inputs against independent sources and externally available market data.
Advance, deposits and Prepayments:	
Advance, deposit and prepayments Tk. 17,577,544 for advance against Tax, security deposit -CDBL and prepayments for regulatory fee. Note No. 10.	We have tested the maintaining effectiveness of the advance, and deposit held by the Company. We performed the following: • Obtain tax challans and verified those by online system. • Obtain money receipts from CDBL. • Obtain pay slips and other evidences for regulatory fee.
Management Fee:	
Management fee of Tk. 28,685,677 represents 73.41% of the total expense for the year ended 30 June 2023.	With respect to Management fee, we carried out the following procedures: • Management fee is calculated as per the rate mentioned in the trust deed and prospectus on annual average on weekly NAV. • Tested some sample basis voucher with ledger balance. • Assessing the adequacy expense recognition, measurement and disclosures made for the expense in the financial statements.
Dividen Income	
Dividend income of Tk. 79,560.438.00 represents 55.76 % of the total income for the year ended 30 June 2023.	We have tested the design and operating effectiveness of controls around the due and receivable recording process • Review and assess observable inputs against independent sources and externally available market data.

Proud Member of AlliottGlobalAlliance™

	• Re-performing the calculations used to check Accuracy and correctness of information. • Ensured on a sample basis that the Dividend Income was being credited in the designated bank account. • Assessing the adequacy revenue recognition, measurement and disclosures made for income in the financial statements.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), the Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala-2001 and other applicable Laws and Regulations 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 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's to cease to continue as a going concern.

Proud Member of AlliottGlobalAlliance™

- 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 Companies Act 1994, the Securities and Exchange Rules 1987 and the relevant notification issued by Bangladesh Securities and Exchange Commission, we also report the following:

a) We have obtained all the information and explanations 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 accounts, records and other statutory books as required by law have been kept by the Fund so far as it appeared from our examination of those books;

c) The Fund's Statement of Financial Position, Statement of Profit & Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows of the Fund together with the Annexed Notes dealt with by the report are in agreement with the books of accounts and returns; and

d) The investment was made as per Rule 56 of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala,2001; and

e) The expenditure incurred and payments made were for the purpose of the Fund's business.

f) The information and explanation required by us have been received and found satisfactory.

Place: Dhaka
Date: 31 August, 2023

Md. Belayet Hossain FCA
Partner, Enrolment No:1480, ICAB
K. M. Alam & Co.
Chartered Accountants
DVC: 2308311480AS492738

Proud Member of AlliottGlobalAlliance™

AB Bank 1st Mutual Fund
Statement of Financial Position
As at June 30, 2023

Particulars	Notes	Amount in Taka	
		30-Jun-23	30-Jun-22
Assets			
Investment in marketable securities-at fair value	5.00	1,931,322,002	1,737,861,926
Investment in non-listed Securities-at fair value	6.00	486,061,714	682,193,319
Cash & Cash equivalents	7.00	90,955,431	229,239,672
Preliminary & Issue Expenses	8.00	11,160,027	12,459,775
Others receivables	9.00	10,817,602	16,947,592
Advance, deposit & prepayments	10.00	17,577,544	5,482,689
Total asset		**2,547,894,319**	**2,684,184,973**
Liabilities			
Liabilities for expenses	11.00	14,648,953	1,163,629
Unclaimed Dividend	7.01	3,644,795	2,403,086
Other liabilities	12.00	3,135,108	633,029
Total Liabilities		**21,428,857**	**4,199,743**
Net Assets		**2,526,465,462**	**2,679,985,229**
Owners' Equity			
Capital Fund	13.00	2,390,903,960	2,390,903,960
Dividend Equalization & TRR Reserve		115,484,575	115,484,575
Retained Earnings		20,076,928	173,596,695
Total Equity		**2,526,465,462**	**2,679,985,229**
Net Assets Value (NAV)-at Cost	14.00	2,796,889,767	2,829,692,508
No. of unit		239,090,396	239,090,396
		11.70	**11.84**
Net Assets Value (NAV)-at Fair Value	14.00	2,526,465,462	2,679,985,229
No. of unit		239,090,396	239,090,396
		10.57	**11.21**

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

Asset Manager
Bangladesh RACE Management PCL

Trustee
Bangladesh General Insurance Company Limited

Signed in terms of our separate report of even date annexed

Md. Belayet Hossian FCA
Partner,Enrolment No:1480,ICAB
K. M. Alam & Co.
Chartered Accountants
DVC:2308311480AS492738

Dated: Dhaka
August 31, 2023

AB Bank 1st Mutual Fund

Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2023

Particulars	Notes	Amount in Taka	
		30-Jun-23	30-Jun-22
Income			
Net profit on sale of securities	15.00	46,516,498	199,918,177
Dividend from investment	16.00	79,560,438	73,365,714
Interest income	17.00	16,605,370	33,994,400
Total Income		**142,682,306**	**307,278,290**
Expenses			
Management Fees	18.00	28,685,677	32,171,846
Amortization of Preliminary & Issue Expenses	8.00	1,299,748	1,299,748
Trustee fees	19.00	2,755,524	2,845,673
BSEC annual fee	20.00	2,390,904	2,390,904
Custodian fees	21.00	1,592,588	1,878,835
CDBL Charges	22.00	325,896	507,049
DSE annual fee		600,000	600,000
CSE annual fee		600,000	600,000
Bank Charges		186,146	111,228
Audit Fee		87,000	60,000
Expenses for Capital Market Stabilization Fund	23.00	351,997	63,014
Printing Publication & IPO Expenses		201,756	717,983
Total Expenses		**39,077,236**	**43,246,280**
Net profit before provision		**103,605,070**	**264,032,010**
(Total Provision for VAT,Tax and write off)/ write back against erosion of fair value	24.00	(89,761,561)	(190,959,907)
Net Profit after Provision transferred to retained earnings		**13,843,510**	**73,072,104**
Earnings per unit for the year (EPU)	**25.00**	**0.06**	**0.31**

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

Asset Manager
Bangladesh RACE Management PCL

Trustee
Bangladesh General Insurance Company Limited

Signed in terms of our separate report of even date annexed

Md. Belayet Hossian FCA
Partner,Enrolment No:1480,ICAB
K. M. Alam & Co.
Chartered Accountants
DVC:2308311480AS492738

Dated: Dhaka
August 31, 2023

AB Bank 1st Mutual Fund
Statement of Changes in Equity
For the year ended June 30, 2023

Amount in Taka

Particulars	Capital Fund	Dividend Equalization & TRR Reserve	Unrealized Gain	Retained Earnings	Total Equity
Balance at July 01, 2022	2,390,903,960	115,484,575	-	173,596,695	2,679,985,229
Net profit for the year	-	-	-	13,843,510	13,843,510
Dividend paid 2021-2022(Cash)	-	-	-	(167,363,277)	(167,363,277)
Balance at June 30, 2023	**2,390,903,960**	**115,484,575**	**-**	**20,076,928**	**2,526,465,462**

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

Particulars	Capital Fund	Dividend Equalization & TRR Reserve	Unrealized Gain	Retained Earnings	Total Equity
Balance at July 01, 2021	2,390,903,960	211,120,733	64,667,038	196,160,750	2,862,852,480
Net profit for the year	-	-	-	73,072,104	73,072,104
Dividend paid 2020-2021(Cash)	-	-	-	(191,272,317)	(191,272,317)
Dividend Equalization & TRR Reserve	-	(95,636,158)	-	95,636,158	-
Unrealized Gain	-	-	(64,667,038)	-	(64,667,038)
Balance at June 30, 2022	**2,390,903,960**	**115,484,575**	**-**	**173,596,695**	**2,679,985,229**

Asset Manager
Bangladesh RACE Management PCL

Trustee
Bangladesh General Insurance Company Limited

See annexed report of the date

Md. Belayet Hossian FCA
Partner,Enrolment No:1480,ICAB
K. M. Alam & Co.
Chartered Accountants

Dated: Dhaka
August 31, 2023

K.M. ALAM & CO. Dhaka Chartered Accountants

AB Bank 1st Mutual Fund
Statement of Cash Flows
For the year ended June 30, 2023

Particulars	Amount in Taka	
	30-Jun-23	30-Jun-22
A. Cash flows from operating activities:		
Net profit on sale of securities	46,516,498	199,918,177
Dividend from investment	78,533,611	70,470,164
Interest income	21,638,681	40,764,103
Operating expenses	(33,884,938)	(50,296,774)
Net cash flow from operating activities	**112,803,851**	**260,855,670**
B. Cash flows from Investing Activities		
Net Investment in Securities	(84,966,525)	50,599,389
Net cash from investing Activities	**(84,966,525)**	**50,599,389**
C. Cash flows from Financing Activities		
Dividend paid (2021-2022)	(167,363,277)	(191,272,317)
Unclaimed Dividend	1,241;709	2,403,086
Net cash from Financing Activities	**(166,121,568)**	**(188,869,231)**
D. Net cash flows (A+B+C)	**(138,284,241)**	**122,585,828**
E. Cash & Cash Equivalents at the Beginning of the period	229,239,672	106,653,845
F. Cash & Cash Equivalents at the end of the period (D+E)	**90,955,431**	**229,239,672**
Net Operating Cash Flow Per Unit (NOCFPU)	**0.47**	**1.09**

Asset Manager
Bangladesh RACE Management PCL

Trustee
Bangladesh General Insurance Company Limited

See annexed report of the date

Md. Belayet Hossian FCA
Partner,Enrolment No:1480,ICAB
K. M. Alam & Co.
Chartered Accountants

Dated: Dhaka
August 31, 2023

AB Bank 1st Mutual Fund
Notes to the Financial Statements
For the year ended June 30, 2023

1. The fund and legal status

AB Bank 1st Mutual Fund (hereinafter called as "Fund") was established under a Trust Deed signed 04 July 2011 between AB Bank Limited as a 'Sponsor' and Bangladesh General Insurance Company Limited as a "Trustee". The Fund was registered under the Trust Act 1882 as well as under the Bangladesh Securities and Exchange Commission (BSEC) on 21 July 2011 vide registration code no. SEC/Mutual Fund/2011/41 under the Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001. The operations of the Fund was commenced on 29 January 2012 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.

AB Bank 1st 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 239,090,396 units of BDT 10 each. The units of the Fund are transferable.

2. Objectives

The objective of AB Bank 1st 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.

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 Finance Act 2023, 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 transection 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, AB Bank 1st 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:
Total NAV = VA - LT
NAV per unit = Total NAV / 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 fee.

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 incase 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 IAS-18 and 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.



AB Bank 1st Mutual Fund
Notes to the Financial Statements
For the year ended June 30, 2023

			Amount in BDT	
			30-Jun-23	30-Jun-22
05.00	**Investment in marketable securities at fair value**			
	Capital Market Securities-Listed	5.01	1,931,322,002	1,737,861,926
			1,931,322,002	**1,737,861,926**

5.01 Capital Market Securities-Listed:

Sector/Category	Amount in Taka				
	No. of Shares	Cost Value	Fair Value 30 June 2023	Required (Provision)/ Excess	Fair Value 30 Jun 2022
Bank	42,086,777	650,064,143	593,820,551	(56,243,592)	522,371,023
Food and Allied	210,766	114,960,207	109,324,324	(5,635,883)	45,305,617
Fuel and Power	15,091	24,603,008	21,092,691	(3,510,318)	21,806,495
Insurance	3,000	30,000	230,100	200,100	360,432
Miscellaneous	800,397	125,358,178	92,525,893	(32,832,285)	105,426,917
Mutual Funds	5,158,675	49,895,000	46,065,069	(3,829,931)	46,507,389
NBFI	462,821	48,432,720	33,711,803	(14,720,917)	44,311,357
Pharma	2,138,100	766,664,981	710,200,162	(56,464,819)	627,674,503
Tannery	87,551	98,279,500	89,021,857	(9,257,643)	82,610,330
Telecommunication	821,108	323,844,995	235,329,553	(88,515,442)	241,487,863
Total	**51,784,286**	**2,202,132,732**	**1,931,322,002**	**(270,810,729)**	**1,737,861,926**

6.00	**Investment in non-listed securities**			
	BSEC approved non-listed unit fund (category A)	6.01	13,091,116	13,308,571
	BSEC approved investment in private equity of non-listed company (category B)	6.02	212,675,294	131,240,013
	BSEC approved Bond (category C)	6.03	260,295,304	537,644,735
			486,061,714	**682,193,319**

6.01 BSEC approved non-listed unit fund (category A)

Particular	No. of Shares	Amount in Taka			
		Cost Value	Fair Value 30 June 2023	Required (Provision)/	Fair Value 30 Jun 2022
HFAML Shariah Unit Fund	1,000,000	10,000,000	9,660,000	(340,000)	9,710,001
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)	**1,356,294**	**13,000,000**	**13,091,116**	**91,116**	**13,308,571**

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

Particular	No. of Shares	Amount in Taka			
		Cost Value	Fair Value 30 June 2023	Required (Provision)/	Fair Value 30 Jun 2022
Padma Bank Ltd.	5,000,000	63,888,890	63,888,890	-	63,888,890
Multi Securities & Services Ltd.	3,986,453	67,351,123	67,351,123	-	67,351,123
Best Holding Limited	1,230,769	81,435,281	81,435,281	-	-
Total BSEC approved investment in private equity of non-listed company (category B)	**10,217,222**	**212,675,294**	**212,675,294**	**-**	**131,240,013**

6.03 BSEC approved Bond (category C)

Particular	No. of Shares	Amount in Taka			
		Cost Value	Fair Value 30 June 2023	Required (Provision)/	Fair Value 30 Jun 2022
Best Holding Ltd. Convertible Bond	-	-	-	-	80,000,000
Premier Bank Ltd. Corporate Bonds	20	120,000,000	120,295,304	295,304	407,644,735
Regent Spinning Mills Corporate Bond - 2015	14	140,000,000	140,000,000	-	50,000,000
Total BSEC approved Bond (category C)	**34**	**260,000,000**	**260,295,304**	**295,304**	**537,644,735**

(Net Provision)/ Unrealized Gain Taken (5.01+6.01+6.02+6.03)	**(270,424,305)**	**(149,707,279)**

Amount in BDT	
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 486,061,714.00 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 Limited):

The Fund has invested in the equity of two 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-regualtors 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. 63,888,890.00 Fair Value of the similar catagory 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. 67,351,123.00.

(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 Instutions 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 copmared to the bond, the Investment Commitee 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. 81,435,281.00, 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 Tk. 22,152,000/=, 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 recognoze this amount in the financial stements of the Fund, and may realize it as income only after the uncertainties are resolved.

Category C. For Non-Listed Bond (Regent Corporate Bond & Premier Bank Limited Subordinated Bond):

(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 30th, 2023 the Mutual Fund held 14 units of the Bond with Face Value of Taka 1.0 crore per unit for a total amount of Tk 140,000,000. 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 FY2020-21 and FY2021-22. As this default has continued to the present the Trustee and Investment Committee of the Fund has decided to include the additional following disclosrue on this investment: "The Bond Trustee, the Investment Corporation of Bangladesh (the "ICB"), a reputable statutory corporation of the Government, has conducted an independent assessment of the Regent Bond which included physical inspection of the premises, upon which the Trustee has assessed the Issuer business is a going-concern. Moreover, the present value of the pledged assets of the Issuer, the guarantor Habib Group, and its various affiiates, subsidiaries and Directors, is adequate to cover the outstanding principle and interest against the Regent Bond held by the Fund. As a result, the Trustee and Asset Management Company has decided not to take a provision against the Regent Bond investment for FY 2022-23. The bond is secured by pledge of shares of Regent Textile Mills Ltd. as per schedule -4 of Trust Deed, Deposits & Account receivable of Regent Textile Mills Limited as provided for in schedule-05 of Trust Deed and corporate guarantee of Regent Textile Mills Ltd. The bond has been reported at cost. The Trustee and Bondholders are actively pursuing recovery efforts."

K.M. ALAM & CO. Dhaka Chartered Accountants

	Amount in BDT	
	30-Jun-23	30-Jun-22

(ii) The Premier Bank Limited Tier2 Subordinated Bond(s): The Fund has investments in the Tier-2 Subordinated category of Bonds issued by the Premier Bank Limited. The Bonds have been approved by the Bangladesh Bank and the ensuing capital market security(ies) the Bonds have been approved by BSEC vide the approval letters BSEC/CI/DS-860/2022/1076 dated December 01, 2022; The Bonds are regular coupon paying Bonds and therefore are being held at the Fair Value determined by IFRS 13 using present value technique under income approach at a risk fee rate 7.75% average of 5 years t-bond yeild and FDR rate. The total amount of the Fund's investment at Fair Value Tk. 120,295,304.00

07.00 Cash and cash equivalents :

Operational accounts:			
One Bank Ltd (A/C 0123000722)		49,780,613	64,695,916
Southeast Bank Ltd (A/C 00831310001)		861,798	134,854,520
AB Bank Ltd (A/C-4005-776830-430)		11,227	12,383
EXIM Bank Ltd (A/C 00113100462655)		-	-
Eastern Bank Ltd (A/C 1011360215856)		5,029	5,048
Dhaka Bank Ltd (A/C 2011520000106)		3,711,969	3,575,267
BRAC Bank Ltd (A/C 1503202216121001)		-	-
One Bank Ltd (A/C 0183000001536)		10,333,648	-
Padma Bank (A/C 0113000082175)		16,279,348	17,010,302
The Premier Bank Ltd (A/C 010413600000005)		6,327,003	6,331,153
IPO and dividend accounts:			
AB Bank Ltd (IPO-A/C-4005-776833-430)		13	-
AB Bank Ltd (IPO-A/C-4005-776834-040) Dollar		-	-
AB Bank Ltd (IPO-A/C-4005-776836-021) EURO		-	-
AB Bank Ltd (IPO-A/C-4005-776839-026) GBP		-	-
Southeast Bank Ltd (Div-A/C 00831310044) Closed		-	-
One Bank Ltd (A/C 0183000001401)		1,983,569	-
Bank Asia Ltd (Div-A/C- 4936000125)		3,971	3,896
Bank Asia Ltd (Div-A/C- 4936000143)		8,229	804,417
Bank Asia Ltd (Div-A/C- 4936000158)		1,649,013	1,946,771
		90,955,431	**229,239,672**

07.01 Unclaimed Cash Dividend:

Year 2021-2022	1,983,569	-
Year 2020-2021	1,649,013	1,946,771
Year 2018-2019	8,229	452,419
Year 2017-2018	3,971	3,896
IPO Accounts	13	-
	3,644,795	**2,403,086**

08.00 Preliminary and issue expenses :

Opening balance	12,459,775	13,759,523
Less: Amortization during the period	1,299,748	1,299,748
	11,160,027	**12,459,775**

09.00 Other receivables :

Interest receivable	50,762	5,084,073
Dividend receivable	10,042,275	9,015,448
Receivables from Brokerhouse	724,565	2,848,071
	10,817,602	**16,947,592**

10.00 Advance deposit and prepayment :

Advance income tax deducted at source (AIT)		12,791,842	389,327
Security Deposit- CDBL		500,000	500,000
Prepayments	10.01	4,285,701	4,593,361
		17,577,544	**5,482,689**

10.01 Prepayments :

Annual fee-BSEC	2,390,904	2,390,904
Trustee fee- BGIC	1,233,230	1,540,890
Annual fee- CDBL	61,567	61,567
Annual fee - DSE	300,000	300,000
Annual fee - CSE	300,000	300,000
	4,285,701	**4,593,361**

11.00 Liabilities for expenses :

Audit fee	54,000	54,000
Management fee	13,407,323	44,658
Custodian fee	776,131	875,371
Payable to Brokerhouse	86,400	86,400
Printing Publication & IPO expenses	325,100	103,200
	14,648,953	**1,163,629**

		Amount in BDT	
		30-Jun-23	30-Jun-22
12.00	**Other Liabilities :**		
	VAT and Tax Payable	3,135,108	633,029
		3,135,108	**633,029**
13.00	**Capital Fund :**		
	Size of capital fund		
	239,090,396 units of Taka 10 each	2,390,903,960	2,390,903,960
		2,390,903,960	**2,390,903,960**
14.00	**Net Asset Value (NAV)**		
	Total Net Assets Value at Cost	2,796,889,767	2,829,692,508
	Number of unit	239,090,396	239,090,396
	Per Unit NAV at Cost	**11.70**	**11.84**
	a. Total Net Assets Value at Cost	2,796,889,767	2,829,692,508
	b. (Unrealized loss) or Unrealized Gain	(270,424,305)	(149,707,279)
	Total Net Assets Value at Fair Value (a+b)	**2,526,465,462**	**2,679,985,229**
	Number of unit	239,090,396	239,090,396
	Per Unit NAV at Fair Value	**10.57**	**11.21**
15.00	**Net profit on sale of securities :**		
	Net profit on sale of securities	46,516,498	199,918,177
		46,516,498	**199,918,177**
16.00	**Dividend from investment:**		
	Listed securities	75,671,436	70,400,193
	Non-Listed securities	3,889,003	2,965,521
		79,560,438	**73,365,714**
17.00	**Interest Income :**		
	Interest Income from Bank Accounts	7,134,553	8,115,805
	Interest Income from Corporate Bonds	9,470,817	25,878,594
		16,605,370	**33,994,400**
18.00	**Management fees :**	**28,685,677**	**32,171,846**
19.00	**Trustee fees :**	**2,755,524**	**2,845,673**

Bangladesh General Insurance Company Limited (BGIC) 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.

20.00	**BSEC annual fees :**	**2,390,904**	**2,390,904**

Annual fee (at the rate of 0.10% of the fund size) was paid to BSEC as per Rules 11(1) of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001

21.00	**Custodial fees :**	**1,592,588**	**1,878,835**

BRAC Bank Limited, the custodian of the fund is entitled to receive a safekeeping fee @ 0.07% on the balance of securities calculated on average month end value per annum as per Trust Deed.

22.00	**CDBL Charges :**	**325,896**	**507,049**

CDBL charge was 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:**		
	Fund	351,997	63,014
		351,997	**63,014**

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 tranferred to CMSF fund as per new circular.

24.00	**(Total Provision for VAT,Tax and write off)/ write back against erosion of fair value:**		
	a) Provision for previous year B/F	(149,707,279)	-
	b) Market Provision Taken (5.01+6.01+6.02+6.03)	(270,424,305)	(149,707,279)
	(b-a) Required Provision	**(120,717,027)**	**(149,707,279)**
	Provision /write off of Regent Bond-2015	36,000,000	(36,000,000)
	Provision for VAT and Tax	(5,044,534)	(5,252,628)
		(89,761,561)	**(190,959,907)**

K.M. ALAM & CO. Dhaka Chartered Accountants

	Amount in BDT	
	30-Jun-23	30-Jun-22

25.00 Earnings Per Unit (EPU):

Net profit after (provision)/writeback of unrealize loss	13,843,510	73,072,104
Number of unit	239,090,396	239,090,396
	0.06	**0.31**

26.00 The Trustee of the Fund has approved dividend at the rate of 5.00% on the capital fund of Taka 2,390,903,960 in the form of cash. The record date is September 12, 2023 for the year ended 30 June 2023 at the meeting held on August 21, 2023.

27.00 Others

a These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.

b Figures in these notes and annexed financial statements have been rounded off to the nearest BDT.

c Figures of previous year have been rearranged wherever considered necessary, to conform with the current year's presentation.

d To convert the reporting currency of foreign currency accounts the fund consider US Dollar conversion rate is 108.00 Tk., Euro conversion rate is 117.87 Tk., GBP conversion rate is 137.16 Tk. As per Bangladesh Bank web site date on 30 June 2023.

Asset Manager
Bangladesh RACE Management PCL

Trustee
Bangladesh General Insurance Company Limited

Dated: Dhaka
August 31, 2023