Auditors' Report of

"IFIC BANK 1ST MUTUAL FUND"

For The Year Ended 30 June 2024

Submitted By

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"IFIC BANK 1ST MUTUAL FUND"

For The Year Ended 30 June 2024

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Since-1985
S.K.BARUA & CO.
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT
To
The Trustee of IFIC BANK 1ST MUTUAL FUND

Report on the Audit of the Financial Statements

Qualified Opinion:
We have audited the financial statements of **IFIC BANK 1ST MUTUAL FUND**, which comprise the statement of financial position as at June 30, 2024 and the statement of 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2024 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion:

a. Investment in equity of Padma Bank PLC carried since 2013 which is a non-listed public limited banking company. The cost of investment was BDT 57,500,001 against 4,500,000 shares (Average cost per share BDT 12.78) and fair value shown as same price which is described in note no. 4.2(iii) & 6.02 of notes to the financial statements. No dividend was received from this investment since 2021 even we did not get the audit report of Padma Bank PLC. Management has not maintained any provision to reflect its fair value which could reduce the NAV and EPU (Earnings Per Unit) of this fund.

b. The fund has an equity investment in Multi Securities and Services Limited (Broker House) which has been carried since 2016. The cost of investment was BDT 39,274,083 against 2,324,598 shares (Average cost per share BDT 16.90) and fair value shown as same price which is described in note no. 4.2(iii) & 6.02 of notes to the financial statements. Multi Securities and Services Limited (MSSL) incurred a significant loss during the year 2023 compared to the previous year and no dividend was declared for the year 2023. NAV of MSSL as per the audit report for the year ended 2023 was BDT 14.37. Moreover, we did not get the audit report of Multi Securities and Services Limited (Broker House) for the year ended 2024. Fair value reported of this investment is not justified.

c. i) As per Rule 40 & 41 of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001, Mutual Funds Assets should be kept under the custody of the Fund's Custodian. But we found Best Holding's 861,538 share certificate (share certificate regarding 168,920 shares were not found) at the office of the custodian while physical verification of certificates and other original documents on 18 August 2024.

ii) We obtained direct confirmation from Best Holding Ltd. regarding the holding position on 30 June 2023 & 30 June 2024 where the number of shares stated 1,030,458. But 861,538 shares were shown in last year's audit report.

iii) Additionally, as per BSEC letter BSEC/CI/BB-24/2022/1524 dated November 29, 2023 and resolution of the Trustee Meeting, Best Holding's shares shall be converted as per issue price under book building method. Accordingly, the total number of shares were supposed to be received 1,600,000 but only 1,030,458 shares were received by the fund.

d. The income of the Fund is exempted from Income Tax under Act No. 12 of 2023, as published in the Bangladesh Gazette and approved by the President of the People's Republic of Bangladesh on June 22, 2023. But BDT 8,903,358 has been reported as AIT in the financial statements.

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S.K. BARUA & CO. Dhaka Estd.-1985 Chartered Accountants

We conducted our audit in accordance with the 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), 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 qualified opinion.

Emphasis of Matters

We draw attention to the following facts without modifying our opinion:

a. The fund has investment in Regent Spinning Mills Corporate Bond-2015. Accrued interest which was charged in earlier years has been carried forward during the year. Provision for impairment has been maintained from previous year @20% per year against this investment. Management has disclosed it in note no. 4.2(iv) & 6.03 of notes to the financial statements. Management of the fund and trustee of the bond has been working to recover accrued interest and principal amount.

b. As per Rule 69 & 72 of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001, Annual Report shall be prepared, published and submitted to the commission but it was not complied.

c. We draw attention to the note 3.2 regarding the trial balance. Financial statements have been prepared based on the ledgers and other supporting documents.

d. In some cases, the investment parameter was not followed while making investment in particular share & sector. Which is a non-compliance of trust deed and Rule 56 of Bangladesh Securities and Exchange Commission (Mutual Fund) Rules 2001? Please see note no. 4.1 of notes to the financial statements.

e. Best holdings share was found at Multi Securities and Services DP's on 30 June 2024 instead of custodian's DP. Though subsequently transferred this share to custodian's DP.

f. Bangladesh Securities and Exchange Commission has issued some letters regarding matters and Bangladesh Financial Intelligence Unit (BFIU) of Bangladesh Bank has issued a letter for freezing bank account of the company and its managed funds (Ref. BFIU/(monitoring 2)/CMI/04/2024-1009 dated June 10, 2024). Trading of securities was suspended, and bank accounts were frozen for some irregularities as per the said letters. However, the Honorable High Court has stayed the above orders on 19 August 2024 for six months.

g. The financial statements have been authorized for issue on 12 September 2024 which was signed by us on 20 October 2024. We could not know whether any subsequent events occurred during the period from 13 September 2024 to 20 October 2024.

h. Some cheques were issued for expenses which were not provided to the respective parties as the bank account was frozen. As a result, we could not cheque bank reconciliation items in the subsequent period.

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. For each matter below our description of how our audit addressed the matters provided in that context.

Risk	Our response to the risk
Valuation and existence of investments	
Investment is the most financially significant item in the statement of financial position. The Fund has presented the fair value of investment in marketable securities amounting to BDT 1,159,842,829 which represents 76.53% of total assets BDT 1,515,448,597. On the other hand, investment in non-listed securities reported BDT 166,001,734 as fair value which is 10.95% of total assets. The fair value of listed securities (except mutual fund) that are traded in an active market is determined as per closing price on 30 June 2024.	➢ Obtained an understanding of the valuation procedures/technique used in determining the fair value of financial instruments; ➢ Obtained CDBL report (DPA6) directly from CDBL and portfolio report from AMC and checked against each other to confirm the closing balance of financial instruments. Reconciliation for difference between them received and verified with supporting documents the reason of any difference; ➢ Collected broker's client ledger from brokerage house and checked transactions; ➢ Obtained year-end share holding positions from the management of the fund and checked with DPA 6 of Custodian; Physically reviewed original certificates and other

As the investment, due to the significance of the balance and valuation requirements, we consider this as a key audit matter. See note no. 5 and 4.2(i) to the financial statements.	documents related to non-listed securities at the office of custodian's vault; ➢ Reviewed disclosure requirement according to IASs, IFRSs, Securities and Exchange Rules 1987, Bangladesh Securities Exchange Commission (Mutual Fund) Rules 2001 and other applicable laws and regulations; ➢ Obtained direct confirmation to confirm the existence of securities where required; ➢ Evaluate management's assessment and procedures relating to provision maintained to reflect fair value of bond. Besides, obtained current status, action plan to recover outstanding interest and principal of bond from trustee of the bond; ➢ Checked whether Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala, 2001 was followed to make investment.
Dividend from investments	
During the financial year the fund has reported BDT 51,406,848 as dividend income from investments. It represents 94.88% of total income. Therefore, it has been considered a key audit area.	We obtained an understanding, evaluated the recognition procedures and tested the operational effectiveness of the dividend reported by the Fund. Our audit procedures included, among others, the followings: ➢ Understanding and reviewing the nature of dividends; ➢ Checked PSI, DSE website to confirm the rate of dividend along with DPA 6 to confirm the holding at the record date; ➢ Finally, assessing the appropriateness and presentation of disclosures against relevant accounting standards.
Other Receivables	
Other receivables comprise receivable from Broker house, dividend receivable and interest receivable. Other receivable increased significantly compared to the previous year. So, it is considered as a key audit matter.	➢ Obtained stock wise breakdown of dividend receivable and checked with ledger, voucher, PSI, DSE & respective company's website etc; ➢ Collected direct confirmation from broker house to confirm the outstanding balance; ➢ Checked dividend recognition procedures, DPA 6 for quantity and verified with books of accounts. ➢ Reviewed presentation and disclosures made in the financial statements.
Loss on sale of investments	
The fund has incurred net loss on sale of trading securities amounting to BDT 2,797,325 for the year ended 30 June 2024.	➢ Obtained detailed client ledger from broker house; ➢ Collected trade confirmation and checked with ledger, voucher & related supporting documents; ➢ Checked recognition and presentation in the financial statements.
Management fee	
BDT 21,136,855 has been reported as management fee which represents 72.60% of total expenses for the year ended 30 June 2024.	➢ Obtain an understanding on calculation procedures of management fee, verified with trust deed and prospectus; ➢ Management fee has been calculated @ 1.00% to 2.50% as per slab per annum on the weekly average

	NAV laid down in the Trust deed and prospectus. ➢ Checked DSE website, quarterly report and detailed calculation of weekly NAV. ➢ Checked recording process and payment process of management fee presented in the financial statements.

Other Information:
The Asset Management Company (AMC) is responsible for the other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditor's report. The directors are responsible for the other information.
Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion 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 appeared to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls
The Asset Management Company (AMC) is responsible for the preparation and fair presentation of the financial statements in accordance with IASs, IFRSs, Bangladesh Securities and Exchange Commission (Mutual Fund) Rules 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. The Companies Act, 1994 require the Management to ensure effective internal audit, internal control and risk management functions of the Fund.

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.
- 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 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001, 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 purposes of our audit and made due verification thereof;
b) in our opinion, proper books of accounts as required by law have been kept by the Fund so far as it appeared from our examination of these books;
c) the statements of financial position and statement of comprehensive income and cash flows dealt with by the report are in agreement with the books of accounts;
d) the expenditure incurred was for the purposes of the Fund's business; and
e) The investment was made as per Rule 56 of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001.

Dated; Dhaka
20 OCT 2024

S.K. BARUA & CO. Dhaka Estd.-1985 Chartered Accountants

Pear Ali FCA
Engagement Partner
Enrollment No. 0249
S.K. Barua & Co.
Chartered Accountants
DVC: 2410200249AS135515

IFIC BANK 1ST MUTUAL FUND

Statement of Financial Position

As at June 30, 2024

Particulers	Note	Amount in Taka	
		30-Jun-24	30-Jun-23
A Asset			
Investment in marketable securites-at Fair Value	05	1,159,842,829	1,445,741,929
Investment in non-listed securites-at Fair Value	06	166,001,734	237,209,897
Cash & cash equivalents	07	124,484,967	132,558,120
Preliminary & Issue Expenses	08	4,219,798	4,955,249
Others Receivable	09	48,088,678	13,367,054
Advance, Deposit & Prepayments	10	13,750,378	12,316,746
Total assets		**1,516,388,384**	**1,846,148,994**
B Liabilities			
Liabilities for expenses	11	10,395,788	18,296,540
Unclaimed Dividend	7.01	8,186,644	8,121,074
Other liabilities	12	5,824,268	2,392,758
Total liabilities		**24,406,700**	**28,810,371**
C Net assets (A-B)		**1,491,981,684**	**1,817,338,624**
D Equity			
Capital Fund	13	1,821,679,640	1,821,679,640
Dividend Equalization Reserve		35,721,546	35,721,546
Retained Earnings		(365,419,502)	(40,062,563)
		1,491,981,684	**1,817,338,623**
Net Assets Value (NAV)-at Cost	14	2,098,250,061	2,076,861,359
No. of unit		182,167,964	182,167,964
		11.52	**11.40**
Net Assets Value (NAV)-at Fair Value	14	1,491,981,684	1,817,338,623
No. of unit		182,167,964	182,167,964
		8.19	**9.98**

The annexed notes from an integral part of these financial statement.

Asset Manager
Bangladesh RACE Management PCL

Trustee
Investment Corporation of Bangladesh

Signed interms of our separate report of even date annexed.

Pear Ali FCA
Partner
Enrollment no: 0249
S.K. Barua & Co.
Chartered Accountants

DVC:2410200249AS135515

Date; Dhaka
12 SEP 2024

IFIC BANK 1ST MUTUAL FUND
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2024

Particulars	Note	Amount in Taka	
		30-Jun-24	30-Jun-23
A INCOME			
Net profit on sale of investment	15	(2,797,325)	43,693,301
Dividend from investment	16	51,406,848	46,943,708
Financial income	17	5,570,437	11,743,853
Total income		**54,179,960**	**102,380,863**
B EXPENDITURE			
Management fees	18	21,136,855	22,150,740
Amortization of preliminary & issue exp.	08	735,451	733,441
Trustee fees	19	1,821,680	1,821,680
BSEC annual fee	20	1,821,680	1,821,680
CDBL charges	21	251,634	272,576
Custodian fees	22	1,546,312	1,628,933
CSE annual fee		600,000	600,000
DSE annual fee		600,000	600,000
Bank charges		278,120	251,823
Audit fee		62,100	57,500
Expenses for Capital Market Stabilization Fund	23	-	237,278
Printing publication & IPO expenses		261,700	309,784
Total expenditure		**29,115,531**	**30,485,435**
Profit before Provision (A-B)		**25,064,429**	**71,895,428**
(Total Provision for VAT, Tax and writeoff)/ write back against erosion of fair value	24	(350,421,368)	(111,957,990)
Net Profit after Provision transferred to retained earnings		**(325,356,939)**	**(40,062,563)**
Other Comprehensive Income:			
Unrealized gain/(loss)		-	-
Total Profit or Loss and Other Comprehensive Income		**(325,356,939)**	**(40,062,563)**
Earnings per unit (EPU) for the year	25	**(1.79)**	**(0.22)**

The annexed notes from an integral part of these financial statement.

Asset Manager
Bangladesh RACE Management PCL

Trustee
Investment Corporation of Bangladesh

Signed interms of our separate report of even date annexed.

Place: Dhaka

12 SEP 2024

Pear Ali FCA
Partner
Enrollment no: 249
S.K. Barua & Co.
Chartered Accountants

DVC:2410200249AS135515

IFIC Bank 1st Mutual Fund
Statement of Changes in Equity
For the year ended June 30, 2024

Amount in Taka

Particulars	Capital Fund	Dividend Equalization Reserve	Retained Earnings	Total Equity
Balance at July 01, 2023	1,821,679,640	35,721,546	(40,062,563)	1,817,338,623
Dividend for 2022-2023 (Cash)	-	-	-	-
Dividend Equalization Reserve	-	-	-	-
Net profit for the year	-	-	(325,356,939)	(325,356,939)
Balance at June 30, 2024	**1,821,679,640**	**35,721,546**	**(365,419,502)**	**1,491,981,684**

Statement of Changes in Equity
For the period ended June 30, 2023

Particulars	Capital Fund	Dividend Equalization Reserve	Retained Earnings	Total Equity
Balance at July 01, 2022	1,821,679,640	97,631,104	65,608,017	1,984,918,761
Dividend for 2021-2022 (Cash)	-	-	(127,517,575)	(127,517,575)
Dividend Equalization Reserve		(61,909,558)	61,909,558	-
Net profit for the year	-	-	(40,062,563)	(40,062,563)
Balance at June 30, 2023	**1,821,679,640**	**35,721,546**	**(40,062,563)**	**1,817,338,623**

The annexed notes from an integral part of these financial statement.

Asset Manager
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Trustee
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Signed interms of our separate report of even date annexed.

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Partner
Enrollment no: 0249
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DVC:2410200249AS135515

Place: Dhaka
12 SEP 2024

IFIC BANK 1ST MUTUAL FUND
Statement of Cash Flows
For the year ended June 30, 2024

Particulars	Amount in Taka	
	30-Jun-24	30-Jun-23
A. Cash flows from operating activities		
Dividend income	31,456,028	48,848,916
Financial income	5,522,585	4,384,395
Net profit on sale of investment	(2,797,325)	43,693,301
Operating expenses	(27,824,897)	(24,065,613)
Net cash from operating activities	**6,356,391**	**72,861,000**
B. Cash flows from investing Activities		
Net investment in securities	(14,495,115)	(97,160,026)
Net cash from investing Activities	**(14,495,115)**	**(97,160,026)**
C. Cash flows from financing activities		
Dividend paid (2022-2023)	-	(127,517,575)
Unclaimed Dividend	65,570	4,662,496
Net cash from financing activities	**65,570**	**(122,855,079)**
D Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(8,073,154)**	**(147,154,106)**
E Opening Cash & Cash Equivalents	132,558,120	279,712,226
F Closing Cash & Cash Equivalents (D+E)	**124,484,966**	**132,558,120**
Net Operating Cash Flow Per Unit (NOCFPU)	**0.03**	**0.40**

The annexed notes from an integral part of these financial statement.

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Pear Ali FCA
Partner
Enrollment no: 249
S.K. Barua & Co.
Chartered Accountants

DVC: 2410200249AS135515

Place: Dhaka
12 SEP 2024

IFIC BANK 1ST MUTUAL FUND
Notes to the Accounts
For the year ended 30th June 2024

1. The fund and legal status

IFIC Bank 1st Mutual Fund (hereinafter called as "Fund") was established under a Trust Deed signed on 29 November 2010 between IFIC Bank 1st Mutual Fund (IFIC Bank) as a 'Sponsor' and the Investment Corporation of Bangladesh as a "Trustee". The Fund was registered under the Trust Act 1882 and Registration Act 1908 under the Bangladesh Securities and Exchange Commission (BSEC) on 12 December 2010 vide registration code no. SEC/Mutual Fund/2010/36 under the Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala Rules 2001. The operations of the Fund was commenced on 16 July 2013 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.

IFIC 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 182,167,964 units of BDT 10 each. The units of the Fund are transferable.

2. Objectives

The objective of IFIC 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- 2001, Trust Deed and other applicable laws and regulations.

3.2 Component of Financial Statements

The Fund has been prepared the mendatory components of Financial Statements from the ledgers, those are 01. Statement of Financial Position 02. Statement of Profit or Loss and Other comprehensive Income 03. Statement of Changes in Equity 04. Statements of Cash Flows 05. Notes to the accounts. Therefore, no trail balance has been prepared for that ledgers as it is additional.

3.3 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.

3.4 Functional and presentational currency

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

3.5 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.

3.6 Reporting period

These financial statements are prepared for the period from 01 July 2023 to 30 June 2024.

3.7 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) 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 the 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.

Some investments were exceed the above parameter due to unstable market condition but management of the fund is trying to bring the exposure within the prescribed limits within six months of the event according to the clause 3.2.22 of the trust deed.

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, IFIC 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.

(i) For Capital Market Securities-Listed:

The Capital Market Security-Listed states that 81.35% in cost value and 76.53% in fair value of total assets of the Fund. According to Mutual Fund Bidhimala 2001, all the dematerialised shares of the investment in listed securities are kept in custodian DP account. The Capital Market Securities-Listed are valued at the closing quoted market price consedering the portfolio as portfolio through other comprehensive income as per 4.1.2A of IFRS-9 only on the Dhaka Stock Exchange on the date of Valuation i.e., on June 30, 2024 as per IFRS-13 Fair Value Measurement, Capital Market Securities-Listed (Mutual Fund) are valued the quoted market price and last disclosed NAV on June 30, 2024 by the methodology provided by BSEC vide directive no. SEC/CMRRCD/2009/193/172 dated June 30, 2015.

(ii) For Capital Market Securities-Non listed:

Capital Market Securities-Non listed (Unit Fund) are valued at the repurchase price which is enforceable on June 30, 2024 declared by respective AMC and this is also a quoted price as per IFRS-13. Capital Market Securities-Non listed (Bond) 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.

(iii) For Non-Listed Private Equity -BSEC approved:

The Fund has invested in the equity of two non-listed companies. Both of which are regulated, one of them is regulated by Bangladesh Bank and other is regulated by Bangladesh Securities and Exchange Commission.

The investment in shares of Padma Bank Limited has been approved by BSEC vide letter no. SEC/MF & SPV/MF-02/2009/467 dated May 31, 2012. It's a Bangladesh Bank Regulated entity and going concern. Moreover, Padma Bank Ltd. has investment from Govt. Banks and financial institutions which owns 65% of the total equity of the banks. Therefore, Padma Bank Ltd. is considered a going concern and investment is held at cost. And the investment in Multi Securities and Services Limited 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. Using prudence and conservative principal of accounting this investment is also held at cost.

(iv) Regent Spinning Mills Corporate Bond-2015:

As per Section 5.5 (para 5.5.2 and 5.5.8) of IFRS-9 on reporting date The Board of Investment Committee of IFIC Bank 1st Mutual Fund shall take it in to account, the approximate risks on initial recognition of Regent Cor. Bond-15 by considering all reasonable and supportable information that is available without undue cost and effort. In order to determine provision for impairment loss at market price The Board of Investment Committee of IFIC Bank 1st Mutual Fund consider internal and external information including portfolio information which was held as collateral of that bond. As conservative way The Board of Investment Committee of IFIC Bank 1st Mutual Fund decided to make those impairment loss provision @ 20% as on june 30, 2023. The Board of Investment Committee of IFIC Bank 1st Mutual Fund has been working with Investment Corporation of Bangladesh (ICB),The Trustee of the said bond, to recover investment from the Issuer and from the underlying collateral.

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 off provisions and net off 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

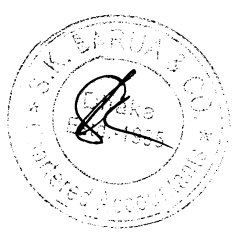
Gains/losses arising on sale of investment are included in the Profit and Loss Statement on the date at which the transaction takes place. Dividend and interest income are recognised as per IAS-18 and Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001.

4.8 Statement of cash flows

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

4.9 Issue & Preliminary Expenses

Issue & Preliminary Expenses are amotized among the remaining life of the fund calculating day basis.



		Amount in Taka	
		30-Jun-24	30-Jun-23
05.00	**Investment in marketable securities at fair value**		
Capital Market Securities-Listed **(Annex - 1)**	05.01	1,159,842,829	1,445,741,929
		1,159,842,829	**1,445,741,929**

05.01 Capital Market Securities-Listed:

Sector	Amount in Taka				
	Number of Shares	Cost Value As on June 30, 2024	Fair Values As on June 30, 2024	Required (Prov.)/ Excess	Fair Values As on June 30, 2023
Bank	27,166,811	650,463,356	476,311,992	(174,151,364)	494,692,137
Cement	26,883	11,225,265	6,524,504	(4,700,761)	7,164,320
Corporate Bond	13,130	12,955,645	12,529,725	(425,920)	136,890
Food and Allied	156,547	95,606,384	50,533,372	(45,073,012)	81,842,436
Fuel and Power	-	-	-	-	4,229,440
Insurance	2,041,207	135,540,669	77,881,347	(57,659,322)	111,953,179
Mutual Funds	10,418,594	95,890,977	77,556,450	(18,334,528)	93,288,416
Miscellaneous	191,000	30,290,690	22,079,600	(8,211,090)	74,029,150
NBFI	717,045	31,766,889	11,072,500	(20,694,389)	18,891,774
Pharma	1,005,444	436,679,794	281,064,767	(155,615,027)	405,455,668
Tannery	6,949	7,162,056	6,790,563	(371,494)	28,470,400
Telecommunication	438,200	161,152,432	108,542,140	(52,610,292)	125,588,120
Travel & Leisure	1,030,458	57,004,697	28,955,870	(28,048,827)	-
Total	**43,212,268**	**1,725,738,856**	**1,159,842,829**	**(565,896,026)**	**1,445,741,929**

06.00	**Investment in non-listed securities**			
BSEC approved Non-listed Unit Fund (Category A)		06.01	3,227,650	3,431,116
BSEC approved investment in private equity of non-listed company (Category B)		06.02	96,774,084	153,778,780
BSEC approved Bond (Category C)		06.03	66,000,000	80,000,000
			166,001,734	**237,209,897**

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

Particulars	No of Quantity	Amount in Taka			
		Cost Value As on June 30, 2024	Fair Values As on June 30, 2024	Required (Prov.)/ Excess	Fair Values As on June 30, 2023
CWT Community Bank Shariah Fund	60,000	600,000	598,200	(1,800)	-
HFAML Unit Fund	356,294	3,000,000	2,629,450	(370,550)	3,431,116
Total BSEC approved Non-listed Unit Fund (Category A)	**416,294**	**3,600,000**	**3,227,650**	**(372,350)**	**3,431,116**

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

Particulars	No of Quantity	Amount in Taka			
		Cost Value As on June 30, 2024	Fair Values As on June 30, 2024	Required (Prov.)/ Excess	Fair Values As on June 30, 2023
Best Holding Ltd	-	-	-	-	57,004,697
Padma Bank Ltd.	4,500,000	57,500,001	57,500,001	-	57,500,001
Multi Securities & Services Ltd	2,324,598	39,274,083	39,274,083	-	39,274,083
Total BSEC approved investment in private equity of non-listed company (Category B)	**6,824,598**	**96,774,084**	**96,774,084**	**-**	**153,778,780**

06.03 BSEC approved Bond (Category C):

Particulars	No of Quantity	Amount in Taka			
		Cost Value As on June 30, 2024	Fair Values As on June 30, 2024	Required (Prov.)/ Excess	Fair Values As on June 30, 2023
Regent Spinning Mills Corporate Bond-2015	10	100,000,000	60,000,000	(40,000,000)	80,000,000
Premier Bank Ltd. Corporate Bonds	1	6,000,000	6,000,000	-	-
Total BSEC approved Bond (Category C)	**11**	**106,000,000**	**66,000,000**	**(40,000,000)**	**80,000,000**
Net Provision Taken (5.01+6.01+6.02+6.03)				**(606,268,377)**	**(259,522,736)**

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

As on June 30, 2024 the Fund held a total of Tk 166,001,734 in non-listed securities which is 9.72% in cost value and 10.95% in fair value of total assets of the Fund. According to Mutual Fund Bidhimala 2001, all the scripts of share certificates of the investment in non listed securities are kept in custodian vault. 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, 2024 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, 2024 declared by respective AMC.

Category B. For Non-Listed Private Equity -BSEC approved (Padma Bank limited and Multi Securities & Services 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. We comment in more detail on each of these two 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. 57,500,001 Fair Value of the similar category of listed banks is above cost.

The investment of the Fund in the Padma Bank Limited (the "Bank") is held at cost and without provision for the following reasons: the Bank is majority owned by 4 government owned banks Sonali Bank Limited , Agrani Bank Limited, Janata Bank Limited, Rupali Bank Limited and one fovernment owned NBFI the Investment Corporation of Bangladesh. As such the risk of outright bankruptcy is remote . This was agreed to for FY 2023 in a joint meeting of Bangladesh Securities Exchange Commission and Trustee and AMC representatives . Secondly, the Bangladesh Bank announced in 2024 that the Padma Bank Limited would be merged with the Exim Bank , which is a going concern and a listed bank , and to the best of information available publicly this deal has not been abrogated by the government . Thirdly, the investment of the fund in the Bank equity is backed by an equivalent investment by the Bank in a special purpose bankruptcy remote vechicle which will be combined (সমন্বনীত) in the event of bankruptcy.

(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. 39,274,083.

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, 2024 the Mutual Fund held 10 units of the Bond with Face Value of Taka 1.0 crore per unit for a total amount of Tk 60,000,000. 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 FY 2021-22. 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.Out of consertive principal the measurment of the fund decided to create a provision @ 20% each year.

07.00	**Cash and cash equivalents**		
	Operational Accounts		
	One Bank-Kawran Bazar Branch(A/C-0123000000675)	36,963,097	35,167,274
	One Bank-Banani Branch(A/C-0182100000024)	5,425,066	1,322,657
	Dhaka Bank-Local Office Motijheel (A/C-2011520000070)	11,306,110	11,103,199
	EBL-Principal Branch (Dilkusha)(A/C-01011320000056)	33,329,696	46,263,303
	Padma Bank -Gulshan Corporate Branch(A/C-0113000082182/00021300(	15,311,735	15,399,310
	Premier Bank- Banani Branch(A/C-10413600000010)	3,077,809	3,081,384
	Southeast Bank-Banasree Branch(A/C-0013100000008)	10,884,810	12,099,920
	Dividend & IPO Accounts		
	EBL-(A/C-01011320000069)	54,918	55,006
	EBL-(A/C-1141360096325)	1,122	1,101
	EBL-(A/C-1011360198473)	2,195	2,153
	EBL-(A/C-01013050004771) DOLLAR	3,290,986	3,290,986
	EBL-(A/C-01013060000261) GBP	180,960	180,960
	EBL-(A/C-01013070000153) EURO	45,224	45,224
	Bank Asia Ltd. (A/C-0493600127)	2,872	3,386
	Bank Asia Ltd. (A/C-0493600138)	21,981	22,691
	Bank Asia Ltd. (A/C-04936000153)	2,349,967	2,310,132
	One Bank-(A/C-0183000001434)	2,236,420	2,209,437
		124,484,967	**132,558,120**
07.01	**Unclaimed Cash Dividend:**		
	Year 2021-2022	2,236,420	2,209,437
	Year 2020-2021	2,349,967	2,310,132
	Year 2018-2019	21,981	22,691
	Year 2017-2018	2,872	3,386
	Year 2011-2012	1,122	1,101
	Year 2010-2011	2,195	2,153
	IPO Accounts	3,572,087	3,572,175
		8,186,644	**8,121,074**
08.00	**Preliminary and issue expenses :**		
	Opening balance	4,955,249	5,688,690
	Less: Amortization during the period	735,451	733,441
		4,219,798	**4,955,249**

09.00	**Other receivables :**			
	Receivable from Brokerhouse	09.01	14,723,490	539
	Dividend Receivable	09.02	23,317,335	3,366,515
	Interest Receivable	09.03	10,047,852	10,000,000
			48,088,678	**13,367,054**
09.01	**Receivable from Brokerhouse**			
	ICB Securities Trading Company Ltd.		539	539
	Multi Securities & Services Ltd.		14,722,952	-
			14,723,490	**539**
09.02	**Dividend Receivable:**			
	Bank Asia Ltd		3,024,797	-
	Brac Bank Ltd		1,814,597	-
	City Bank Ltd		4,543,691	-
	Dutch Bangla Bank Ltd		4,680,235	-
	EXIM Bank Ltd		574,521	574,521
	HEIDELBCEM (Heidelberg Cement Bd)		-	26,883
	IBB LP BOND		9,672	8,957
	IDLC		2,728	2,728
	Lanka Bangla Finance		-	704,918
	LINDEBD (Linde Bangladesh Limited)		19,064	19,064
	Multi Securities & Serivices Ltd		-	813,609
	Premier Bank Ltd		7,828,461	-
	Social Islami Bank Ltd		4,779	-
	Standard Bank Ltd		-	322,067
	UCBL		814,791	775,992
	Union Bank Limited		-	117,777
			23,317,335	**3,366,515**
09.03	**Interest Receivable**			
	Regent Spinning Mills Corporate Bond-2015		10,000,000	10,000,000
	The Premier Bank Ltd. Subordinated Bond		47,852	-
			10,047,852	**10,000,000**
10.00	**Advance, deposit and prepayments :**			
	Advance Income Tax (AIT)		8,903,358	8,409,585
	Security Deposit- CDBL		500,000	500,000
	Prepayments	10.01	4,347,020	3,407,161
			13,750,378	**12,316,746**

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 :**		
	Bangladesh Securities and Exchange Commission (annual fee)	1,821,680	1,821,680
	Investment Corporation of Bangladesh (trustee fee)	910,840	910,840
	Dhaka Stock Exchange Limited (annual fee)	297,534	297,534
	Chittagong Stock Exchange Limited (annual fee)	297,534	297,534
	RJSC Fee	939,787	-
	Central Depository Bangladesh Limited (annual fee)	79,645	79,573
		4,347,020	**3,407,161**

11.00	**Liabilities for expenses**			
	Audit Fee		48,600	45,000
	Management Fee		9,025,156	10,332,854
	Custodian Fee		647,817	728,613
	CDBL charges and other payable		217,100	274,900
	Multi Securities & Services Ltd.		-	6,458,057
	PHP Securities Ltd		36,884	36,884
	United Financial Trading Co. Ltd.		95,132	95,132
	Printing Publication Expenses		325,100	325,100
			10,395,788	**18,296,540**
12.00	**Other Liabilities**			
	Liabilities for Tax		2,278,768	519,285
	Liabilities for VAT		3,545,500	1,873,473
			5,824,268	**2,392,758**
13.00	**Capital Fund**			
	Size of capital fund			
	182,167,964 units of Taka 10 each		1,821,679,640	1,821,679,640
			1,821,679,640	**1,821,679,640**
14.00	**Net Asset Value (NAV)**			
	Total Net Assets Value at Cost		2,098,250,061	2,076,861,359
	Number of unit		182,167,964	182,167,964
	Per Unit NAV at Cost		**11.52**	**11.40**
	a. Total Net Assets Value at Cost		2,098,250,061	2,076,861,359
	b. (Unrealized loss) or Unrealized Gain		(606,268,377)	(259,522,736)
	Total Net Assets Value at Fair Value (a+b)		**1,491,981,684**	**1,817,338,623**
	Number of unit		182,167,964	182,167,964
	Per Unit NAV at Fair Value		**8.19**	**9.98**
15.00	**Net profit on sale of investment**			
	Net Profit on sale of Investment		(2,797,325)	43,693,301
			(2,797,325)	**43,693,301**
16.00	**Dividend from investment**			
	Listed securities	16.01	51,228,701	44,705,233
	Non-Listed securities	16.02	178,147	2,238,475
			51,406,848	**46,943,708**

16.01	**Dividend Income from Listed securities**		
	ACI (ACI Limited)	627,200	746,670
	Bank Asia Ltd	3,024,797	-
	BATASHOE (Bata Shoe)	558,426	-
	BATBC (BATBC)	1,565,470	3,130,940
	BERGER PAINT LTD	1,158,360	-
	BEXIMCO (BEXIMCO)	191,000	573,000
	BXPHARMA (Beximco Pharma)	1,503,509	1,503,509
	BGIC (BGIC)	2,368,481	-
	Brac Bank Ltd	1,814,597	1,265,999
	City Bank Ltd	7,513,438	-
	Dutch Bangla Bank Ltd	4,680,263	4,353,708
	Eastearn Bank Ltd	76,250	1,537,876
	EXIM Bank Ltd	574,521	574,521

GP (Grameenphone Ltd)	5,477,500	8,818,775
HEIDELBCEM (Heidelberg Cement Bd)	67,208	26,883
IBB LP BOND	9,672	8,957
ICB3RDNRB (ICB AMCL Third NRB Mutual Fund)	246,600	372,400
IDLC	18,191	18,190
Lanka Bangla Finance	-	704,918
LINDEBD (Linde Bangladesh Limited)	-	127,092
LR Global1	1,184,051	2,368,103
NCC Bank Ltd	636,480	-
NCCBL MUTUAL FUND-1	2,542,390	3,389,854
Mutual Trust Bank PLC	2,160,063	-
Premier Bank Ltd	7,828,461	8,732,135
Prime Bank Ltd	1,203,991	1,203,991
RENATA (Renata Ltd)	1,249,581	1,996,666
Social Islami Bank Ltd	9,332	-
SQURPHARMA (Square Pharmaceuticals Ltd)	2,124,014	2,022,870
Standard Bank Ltd	-	322,067
UCBL	814,791	775,997
Unilever Consumer Care Limited	-	12,312
Union Bank Limited	65	117,801
	51,228,701	**44,705,233**

16.02 Dividend Income from Non-Listed securities

Best Holding Ltd.	-	862,400
HFAML UNIT FUND	178,147	213,776
Multi Securities & Services Ltd.	-	1,162,299
	178,147	**2,238,475**

17.00 Financial Income

Interest Income from Bank Accounts		
Padma Bank (0113000082182/0002130000254)	1,057,077	1,127,454
One Bank (IBA -0123000000675)	1,812,088	2,012,318
Dhaka Bank (2011520000070)	312,123	602,367
EBL Bank-(A/C-01011320000056)	768,424	714,840
One Bank-Banani Br. (0182100000024)	950,383	877,750
Southeast Bank-Banasree Br. (008313100000008)	622,490	1,975,398
Interest Income from Corporate Bonds		
The Premier Bank Ltd. Subordinated Bond	47,852	4,433,726
	5,570,437	**11,743,853**

18.00	**Management fees**	21,136,855	22,150,740
		21,136,855	**22,150,740**

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 fees**	1,821,680	1,821,680
		1,821,680	**1,821,680**

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.

20.00	**BSEC annual Fee**	1,821,680	1,821,680
		1,821,680	**1,821,680**

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

21.00	**CDBL charges**	251,634	272,576
		251,634	**272,576**

CDBL charge paid to Central Depository Bangladesh Limited (CDBL) as per Annex A 1 of CDBL Bye Laws (3.7).

22.00	**Custodian fees**	1,546,312	1,628,933
		1,546,312	**1,628,933**

Investment Corporation of Bangladesh (ICB), 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.

23.00	**Expenses for Capital Market Stabilization Fund:**	-	237,278
		-	**237,278**

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.

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

Provision for previous year B/F		(259,522,736)	(123,404,915)
Capital Market Securities-Listed	05.01	(565,896,026)	(239,953,852)
BSEC approved Non-listed Unit Fund (Category A)	06.01	(372,350)	431,116
BSEC approved investment in private equity of non-listed company (Category B)	06.02	-	-
BSEC approved Bond (Category C)	06.03	(40,000,000)	(20,000,000)
Required Provision		**(346,745,641)**	**(136,117,821)**
Provision for write back/write off of Regent Bond-2015		-	28,000,000
Provision for VAT		(3,675,727)	(3,840,170)
		(350,421,368)	**(111,957,990)**

25.00 Earnings per unit for the year

Net profit for the year (numerator)	(325,356,939)	(40,062,563)
Number of units (denominator)	182,167,964	182,167,964
Earnings per unit	**(1.79)**	**(0.22)**

26.00 Events after the reporting period

The Trustee of the Fund has approved dividend for the year ended June 30, 2024 at the rate of 0.00% on the capital fund of Taka 1,821,679,640.00 in the form of cash and the record date will be on October 06, 2024 at the meeting held on September 12, 2024.

27.00 Related party transections

The Multi Securities and Services Ltd is related party of the Fund and all trades of securities have been executed by the Multi Securities and Services Ltd as it is the fund saling agent. Therefore, the trade commission has been charged within the rage as per BSEC rule up to 1%.

28.00 Contingent Asset related to Best Holdings Limited:

A difference developed between (1) the holding cost of the Best Holdings Limited non-listed equity determined during the bond-to-equity conversion at the behest of the Financial Instituition Department (FID) of the Ministry of Finance [Ref: 53.00.0000.420.17.001.20 dated 14 July 2021 and 53.00.0000.331.37.002.20.375 dated 12 August 2021] post Covid-19 force majeure and at a comparable price set by and for banks and financial institutions and approved by Bangladesh Bank Department of Off-site Supervision (DOS) in accordance with Bangladesh Bank DOS circular 03 dated 16 th May 2019; AND (2)the price of listing of BHL shares through book building process approved by Bangladesh Securities Exchange Commission [ref: BSEC/CI/BB-24/2022/1478 on 31 October 2023.] under a different set of rules and approximately 4 years hence.

Recognizing the difference in methods set by different regulators and circumstances prevailing at different times, the Bangladesh Securities Exchange Commission issued a letter to equalize the price differential ref: BSEC/CI/BB-24/2022/1524, dated November 29, 2023, with Subject: "An additional condition has been incorporated into the Consent Letter issued to Best Holdings Limited on October 31, 2023, for raising BDT 3,500 million capital through an IPO using the Book Building Method." In this letter the following instructions were issued to the execution parties including Issuer: Best Holdings Limited, Managers to the Issue: ICB Capital Management ltd and Shanta Equity ltd, and Registrar to the Issue: Prime Finance Capital Management Limited:

"Reference is made to the BSEC letter reference no. BSEC/CI/BB-24/2022/1478 on 31 October 2023.The following condition has been appended to the prevailing terms and conditions outlined in the consent letter issued to Best Holdings Limited on October 31, 2023, pertaining to the capital raise of BDT 3,500 million through an IPO utilizing the Book Building Method:

[Quote "Best Holdings Ltd. কর্তৃক ইস্যুকৃত বন্ডে মিউচুয়াল ফান্ড হতে বিনিয়োগকৃত অর্থ ও পুঞ্জীভূত অপরিশোধিত সুদ শেয়ারে রুপান্তরেরক্ষেত্রে বুক বিল্ডিং পদ্ধতিতে নির্ধারিত ইস্যু মুল্যে তা রুপান্তর করতে হবে" You are instructed to take necessary steps in this regard. By order of the Bangladesh Securities and Exchange Commission " Unquote] The above is now under process with the appropriate authorities and relvant parties . Depending on the resolution of this matter there is a contingent asset in IFIC Bank 1st Mutual Fund in terms of additional shares of Best Holdings limited which may be received and added in future.

29.00 Others

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

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

(iii) Figures of previous year have been rearranged wherever considered necessary, to conform with the current year's presentation. IPO BDT accounts and IPO USD, GBP, EURO accounts were reported as off balancesheet items in previous year, in present year these are reported as balancesheet items.

(iv) To convert the reporting currency of foreign currency accounts the fund consider US Dollar conversion rate is 118.00 Tk., Euro conversion rate is 126.46 Tk., GBP conversion rate is 149.22 Tk. As per Bangladesh Bank web site date on 30 June 2024.

Asset Manager
Bangladesh RACE Management PCL

Trustee
Investment Corporation of Bangladesh

IFIC Bank 1st Mutual Fund
Portfolio Report as on June 30, 2024

Annex - 1

Stock	Inventory Size	Inventory@Cost	Cost per Unit	Inventory@Mkt	Mkt per Unit
ABBANK	297,200	7,757,158	26.10	1,991,894	6.70
BANKASIA	2,016,531	41,542,212	20.60	36,905,550	18.30
BRACBANK	1,996,056	94,075,534	47.13	68,467,515	34.30
CITYBANK	3,332,039	75,872,860	22.77	61,646,054	18.50
DUTCHBANGL	3,142,443	183,238,051	58.31	148,954,941	47.40
EBL	68,625	1,851,544	26.98	1,777,456	25.90
EXIMBANK	574,521	7,049,717	12.27	4,769,099	8.30
MTB	2,160,063	38,796,028	17.96	27,218,954	12.60
NBL	1,814,000	15,274,968	8.42	11,067,214	6.10
NCCBANK	1,336,608	19,475,181	14.57	13,100,095	9.80
PREMIERBAN	6,262,769	91,189,674	14.56	57,623,738	9.20
PRIMEBANK	687,995	19,966,028	29.02	14,448,583	21.00
RUPALIBANK	167,828	7,970,252	47.49	4,028,040	24.00
SIBL	10,035	221,880	22.11	73,266	7.30
STANDBANKL	1,353,484	14,063,511	10.39	8,528,303	6.30
UCB	1,711,061	29,876,152	17.46	14,203,517	8.30
UNIONBANK	235,553	2,242,606	9.52	1,507,775	6.40
HEIDELBCEM	26,883	11,225,265	417.56	6,524,504	242.70
ABBLPBOND	13,000	12,840,230	987.71	12,421,500	955.50
IBBLPBOND	130	115,415	887.81	108,225	832.50
BATBC	156,547	95,606,384	610.72	50,533,372	322.80
BGIC	1,973,734	126,180,815	63.93	75,594,012	38.30
FAREASTLIF	67,473	9,359,855	138.72	2,287,335	33.90
BEXIMCO	191,000	30,290,690	158.59	22,079,600	115.60
ICB3RDNRB	822,000	8,220,000	10.00	4,969,374	6.05
LRGLOBMF1	3,946,838	36,303,831	9.20	28,881,592	7.32
NCCBLMF1	5,649,756	51,367,147	9.09	43,705,484	7.74
IDLC	12,127	990,170	81.65	357,747	29.50
LANKABAFIN	704,918	30,776,720	43.66	10,714,754	15.20
ACI	156,800	43,358,336	276.52	20,728,960	132.20
BXPHARMA	429,574	82,452,434	191.94	50,732,689	118.10
RENATA	216,783	263,873,708	1,217.23	166,940,789	770.08
SQURPHARMA	202,287	46,995,316	232.32	42,662,328	210.90
BATASHOE	6,949	7,162,056	1,030.66	6,790,563	977.20
GP	438,200	161,152,432	367.76	108,542,140	247.70
BESTHLDNG	1,030,458	57,004,697	55.32	28,955,870	28.10
Total	**43,212,268**	**1,725,738,856**		**1,159,842,829**	