hp:d:PFSMF -2025

Prime Finance Second Mutual Fund
Trustee: Investment Corporation of Bangladesh

Independent Auditor's Report and Audited Financial Statements
of
Prime Finance Second Mutual Fund
As at and for the year ended 31 December 2025

CONTENTS	PAGE NO.
* Independent Auditor's Report	1 - 3
* Statement of Financial Position	4
* Statement of Profit or Loss and Other Comprehensive Income	5
* Statement of Changes in Equity	6
* Statement of Cash Flows	7
* Notes to the Financial Statements	8-15
* Annexure-"A"	16-18
* Annexure-"B"	19
* Annexure-"C"	20
* Annexure-"D"	21
* Annexure-"E"	22
* Annexure-"F"	23

K. M. HASAN & CO.
Chartered Accountants
Hometown Apartments (8th & 9th floor)
87, New Eskaton Road, Dhaka-1000
Phone : 02-41032556, 02-41032814
E-mail : info@kmhasan.com.bd
Web: www.kmhasan.com.bd

KMHCO.
SINCE1984
কে. এম. হাসান এন্ড কোং
K. M. HASAN & CO.
Chartered Accountants
Hometown Apartments (8th & 9th Floor)
87, New Eskaton Road, Dhaka-1000
Phone: 02-41032556, 02-41032814
E-mail: info@kmhasan.com.bd
website: www.kmhasan.com.bd
McMillan Woods International
Professionalism at the forefront

Independent Auditor's Report
To The Trustee of
Prime Finance Second Mutual Fund

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of **Prime Finance Second Mutual Fund** (the Fund), which comprise the Statement of Financial Position as at 31 December 2025, and the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity, and the Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

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 31 December 2025 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

1. As specified in direction No. 4(b) of the Directive No. BSEC/CMRRCD/ 2009-193/19 dated 23 May 2021, Mutual Funds were required to invest at least 3% of their own portfolios in listed debt securities within 30 June 2022. The deadline was later extended up to March 2024 in the Directive No. BSEC/SMMI/ExPol/01/2023/303 dated 13 August 2023. But, the Fund has invested only 1.31% till the date of financial statement .

2. As specified in direction No. 4(c) of the Directive No. BSEC/CMRRCD/2009-193/54 dated 19 February 2023, Mutual Funds were required to invest at least 1% of their own portfolios in the listed Treasury Bonds within 30 June 2023.The deadline was later extended up to March 2024 in the Directive No. BSEC/SMMI/ExPol/01/2023/303 dated 13 August 2023. But the Fund Manager has failed to comply with this provision of the directive till date.

3. The Directive No.BSEC/CMRRCD/2021-386/03, dated 14 January 2021 of Bangladesh Securities and Exchange Commission required that the amount of cash dividends shall be kept in a separate bank account. But the Fund did not maintain separate bank account for cash dividends. All transaction were made through their operational accounts which is violation of such Directive.

4. An open-end mutual fund is required to maintain a minimum of twenty-five unit holders in accordance with sub-rule 15 (Cha) of rule 24 of the Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2025. However, the number of unit holders of the Fund stood at eight as at 31 December 2025.

5. The market value of Investment stood at Taka 104,324,931 against investment of Taka 194,512,939 resulting unrealized loss of Taka 90,188,008 as on 31 December 2025. The unrealized loss comes to 46.39% of the investment which, in our opinion, is a matter of concern.

K.M. HASAN & CO. CHARTERED ACCOUNTANTS DHAKA

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent auditor 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 these ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Asset Manager is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as Asset Manager 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, the Asset Manager 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 the Asset Manager 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 asset manager.

K.M. HASAN & CO. CHARTERED ACCOUNTANTS DHAKA

- Conclude on the appropriateness of asset manager'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 conclusion 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, 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 year and are therefore the key audit matters. We describe these matters in our auditor's 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 outweight the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the Bangladesh Securities and Exchange Rules, 2020 and the Bangladesh Securities and Exchange Commission (Mutual Fund) Regulations 2025, 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 account as required by law have been kept by the Fund so far as it appeared from our examination of these books;

c) The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns;

d) The amount of the Fund has been invested considering the restrictions for investment stated in section 68 and sixth Schedule of the Bangladesh Securities and Exchange Commission (Mutual Fund) Regulations, 2025; and

e) The expenditure incurred was for the purposes of the Fund's business.

For K. M. HASAN & CO.
Chartered Accountants

Md. Amirul Islam FCA, FCS
Senior Partner, Enrol. No. 331
DVC: 2601280331AS580446

Place: Dhaka
Dated: 28 January 2026

K.M. HASAN & CO. CHARTERED ACCOUNTANTS DHAKA

Prime Finance Second Mutual Fund
Statement of Financial Position
As at 31 December 2025

Particulars	Notes	Amount In Taka	
		2025	2024
ASSETS			
Current Assets			
Investment in securities at market price	4	104,324,931	122,646,458
Dividend receivable	5	3,024,400	2,546,713
Other assets	6	514,517	231,774
Cash and cash equivalents	7	2,460,429	7,793,765
		110,324,277	133,218,710
Total assets		**110,324,277**	**133,218,710**
EQUITY			
Capital fund	8	160,568,530	170,838,800
Unit transaction reserve		3,700,007	829,737
Retained earnings	9	(58,639,996)	(45,223,708)
Total equity		**105,628,541**	**126,444,829**
Current Liabilities			
Accounts payable	10	193,336	1,698,315
Dividend payable		4,502,400	4,502,400
Other liabilities	11	-	573,166
Total liabilities		4,695,736	6,773,881
Total Equity and Liabilities		**110,324,277**	**133,218,710**
Net Asset Value (NAV) per unit:	12		
at cost price		**12.20**	**12.08**
at market price		**6.58**	**7.40**

The financial statements should be read in conjunction with the annexed notes.

Investment Corporation of Bangladesh
Trustee

Prime Finance Asset Management Co. Ltd.
Asset Manager

Signed in terms of our separate report of even date annexed

For KM HASAN & CO.
Chartered Accountants

Md. Amirul Islam FCA, FCS
Senior Partner, Enrol. No. 331
DVC: 2601280331AS580446

Place: Dhaka
Dated: 28 January 2026

Prime Finance Second Mutual Fund
Statement of Profit or Loss and other Comprehensive Income
For the year ended 31 December 2025

Particulars	Notes	Amount in Taka	
		2025	2024
INCOME			
Capital loss on sale of securities **(Annexure- D)**		(4,608,694)	(587,759)
Interest income	13	26,298	101,533
Dividend Income **(Annexure- E)**		4,524,478	5,312,482
Interest on debentures / bonds		211,478	217,620
Other Income		-	250
Total income (A)		**153,560**	**5,044,126**
EXPENSES			
Management fees	14	2,653,454	3,129,921
Preliminary and issue expenses		-	468,749
Annual fees		85,420	170,569
Advertisement expenses		148,005	179,199
Custodian fees		115,474	134,065
Trustee fees		126,238	143,569
CDBL charges		88,211	90,681
Audit fees		52,000	40,000
Bank charges		26,015	22,820
BO maintennance fees		600	2,250
Interest receivable on STD A/C written off		12,280	-
Total expenses (B)		**3,307,697**	**4,381,823**
Net profit/(loss) before provision (A - B)		**(3,154,138)**	**662,303**
(Provision)/Write back of provision	4.1	(10,262,150)	(46,573,274)
Net profit/(loss) for the year		**(13,416,288)**	**(45,910,971)**
Other comprehensive income		-	-
Total comprehensive income/(loss)		**(13,416,288)**	**(45,910,971)**
Earning per unit for the year	15	**(0.84)**	**(2.69)**

The financial statements should be read in conjunction with the annexed notes.

Investment Corporation of Bangladesh
Trustee

Prime Finance Asset Management Co. Ltd.
Asset Manager

Signed in terms of our separate report of even date annexed

For KM HASAN & CO.
Chartered Accountants

Md. Amirul Islam FCA, FCS
Senior Partner, Enrol. No. 331
DVC: 2601280331AS580446

Place: Dhaka
Dated: 28 January 2026

Prime Finance Second Mutual Fund
Statement of Changes in Equity
For the year ended 31 December 2025

Amount in Taka

Particulars	Capital fund	Unit Transaction reserve	Retained earnings	Total balance
Balance as at 1 January 2025	170,838,800	829,737	(45,223,708)	126,444,829
Surrendered by unitholders	(10,270,270)	-	-	(10,270,270)
Addition during the year	-	2,870,270	-	2,870,270
Dividend for the last year	-	-	-	-
Net loss for the year	-	-	(13,416,288)	(13,416,288)
Balance as at 31 December 2025	**160,568,530**	**3,700,007**	**(58,639,996)**	**105,628,541**

For the year ended 31 December 2024

Amount in Taka

Particulars	Capital fund	Unit Transaction reserve	Retained earnings	Total balance
Balance as at 1 January 2024	180,567,910	-	9,715,659	190,283,569
Surrendered by unitholders	(10,000,000)	-	-	(10,000,000)
Subscribed by unitholders	270,890	-	-	270,890
Addition during the year	-	829,737	-	829,737
Dividend for the last year	-	-	(9,028,396)	(9,028,396)
Net loss for the year	-	-	(45,910,971)	(45,910,971)
Balance as at 31 December 2024	**170,838,800**	**829,737**	**(45,223,708)**	**126,444,829**

The financial statements should be read in conjunction with the annexed notes.

Investment Corporation of Bangladesh
Trustee

Prime Finance Asset Management Co. Ltd.
Asset Manager

Signed in terms of our separate report of even date annexed

For KM HASAN & CO.
Chartered Accountants

Md. Amirul Islam FCA, FCS
Senior Partner, Enrol. No. 331
DVC: 2601280331AS580446

Place: Dhaka
Dated: 28 January 2026

Prime Finance Second Mutual Fund
Statement of Cash Flows
For the year ended 31 December 2025

Particulars	Amount in Taka	
	2025	2024
Cash flows from operating activities:		
Capital gains/(loss) on sale of securities **(Annexure- D)**	(4,608,694)	(587,759)
Interest received	40,452	87,379
Dividend received	4,046,791	5,844,404
Cash paid for operating expenses	(5,445,246)	(2,720,380)
Bank charges	(26,015)	(22,820)
Net cash from/(used in) operating activities (A)	**(5,992,712)**	**2,600,824**
Cash flows from investing activities		
Cash used to purchase securities	(21,117,480)	(33,227,272)
Cost of investment realised from sale of securities	29,176,857	34,222,593
Net cash from/(used in) investing activities (B)	**8,059,377**	**995,321**
Cash flows from financing activities:		
Capital fund	(10,270,270)	(9,729,110)
Cash received/(paid) for transaction of unit	2,870,270	829,737
Dividend paid to Unitholders	-	(7,527,596)
Net cash generated from/(used in) financing activities (C)	**(7,400,000)**	**(16,426,969)**
Net increase in cash and cash equivalents (D=A+B+C)	**(5,333,335)**	**(12,830,824)**
Opening cash and cash equivalents (E)	**7,793,765**	**20,624,589**
Closing cash and cash equivalents (F=D+E)	**2,460,430**	**7,793,765**
Net cash from/(used in) operating activities per unit	**0.37**	**0.15**

The financial statements should be read in conjunction with the annexed notes.

Investment Corporation of Bangladesh
Trustee

Prime Finance Asset Management Co. Ltd.
Asset Manager

Signed in terms of our separate report of even date annexed

For KM HASAN & CO.
Chartered Accountants

Md. Amirul Islam FCA, FCS
Senior Partner, Enrol. No. 331
DVC: 2601280331AS580446

Place: Dhaka
Dated: 28 January 2026

K.M. HASAN & CO. CHARTERED ACCOUNTANTS DHAKA

Prime Finance Second Mutual Fund
Notes To The Financial Statements
For the year ended 31 December 2025

1. Legal status and nature of the business

Prime Finance Second Mutual Fund is an open-ended mutual fund registered with Sub-Registrar's Office under the Registration Act 1908. The Bangladesh Securities and Exchange Commission also approved the Fund on 19 January 2016 vide Registration Code No. BSEC/Mutual Fund/2016/60. The initial size of the Fund is Taka 500,000,000 (Taka five hundred million only). Actual fund size at the date of formation was Taka 331,761,000 out of which Taka 200,000,000 (Taka two hundred million) was subscribed by the Sponsor, Prime Finance & Investment Ltd. and rest of the amount was subscribed by several individuals and institutions. On 6 April 2017 Investment Cororation of Bangladesh, Trustee of the Fund has provided their approval to operate the Fund.

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) and as per requirements of the Securities and Exchange Commission (Mutual Fund) Regulations, 2025 and other applicable laws and regulations.

2.2 Basis of measurement

The financial statements have been prepared on a going concern basis under historical cost convention.

2.3 Functional currency and presentation currency

The financial statements are presented in Bangladeshi Taka, which is also the Fund's functional currency. All financial information presented in Taka have been rounded off to the nearest Taka.

2.4 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 ongoing basis. Revisions to accounting estimates are recognized 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.

K.M. HASAN & CO. CHARTERED ACCOUNTANTS DHAKA

2.5 Reporting period

These financial statements are prepared for the year ended 31 December 2025.

3. Significant accounting policies

The applicable accounting policies has been applied consistently.

3.1 Investment policy

3.1.1 The Fund shall invest subject to the Mutual Fund Regulations and only in those securities, deposits and investments approved by Bangladesh Securities and Exchange Commission and/or the Bangladesh Bank and/or the Insurance Development Regulatory Authority (IDRA) of Bangladesh or any other competent authority in this regard.

3.1.2 The Fund can not invest the sponsor's contribution in anywhere other than capital market befrore completing the subscription,

3.1.3 The Schemes of the Fund shall not invest more than 10% of its total assets in any one particular company.

3.1.4 The Schemes of the Fund shall not invest in more than 15% of any company's paid-up capital.

3.1.5 The Schemes of the Fund shall not invest more than 20% of its Assets in shares, debentures or the other securities of a single or group.

3.1.6 The Schemes of the Fund shall not invest more than 25% of its total assets in shares, debentures or other securities in any one industry.

3.1.7 Not less than 60% of the total assets of the Fund shall be invested in capital market instruments out of which at least 50% will be invested in listed securities.

3.1.8 Not more than 25% of the total asset of the Fund will be invested in Fixed Income Securities (FIS).

3.1.9 Not more than 15% of the total asset of the Fund shall be invested in pre-IPOs at one time.

3.1.10 The Fund shall not invest in or lend to another Scheme managed by the same Asset Management Company.

3.1.11 The Fund shall get the securities purchased or transferred in the name of the Fund.

3.2 Valuation policy

3.2.1 For listed securities held in the portfolio of the Fund, the average quoted closing market price at the Stock Exchange(s) on the date of valuation shall be taken into account for calculation of Net Asset Value (NAV) of the Fund.

3.2.2 For securitized debts, debentures, margin or fixed deposits, held in the portfolio of the Fund, the accrued interest on such instruments on the date of valuation shall be taken into account for calculation of Net Asset Value (NAV) of the Fund.

K.M. HASAN & CO. CHARTERED ACCOUNTANTS DHAKA

3.2.3 Net Asset Value (NAV) calculation

The Fund will use the following formula to derive NAV per unit:
Total NAV = VA - VL
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 at bank + Value of all securities receivables + receivables of proceeds of sale of investments + Dividend receivables net of tax + Interest receivables net of tax + Issue expenses amortized as on date + Printing, publication and stationery expenses amortized as on date.

VL = Value of all securities payable + Payable against purchase of investments + Payable as brokerage and custodial charges + Payable as Trustee fees + 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.

3.3 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and Cash with BO Account.

3.4 Provisions

A provision is recognized 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 balance sheet date.

3.5 Income tax

The income of the Fund is exempted from Income as per Income Tax Act, 2023 dated 22 June 2023, under Sixth Schedule - Part A, section 10,Clause (Ka) .

3.6 Revenue recognition

3.6.1 Capital gain/(loss)

Capital gain/(loss) is recognized on being realized.

3.6.2 Dividend income

Dividend income is recognized on being declared by the investee company if it is made within the balance sheet date.

3.6.3 Finance income

Finance income comprises interest income on fund kept at the bank account. Interest income is recognized as it accrues.

3.7 Unit transaction reserve

The amount is created due to sale or repurchase of Unit at premium or discount respectivly. This amount may be transferred to retained earnings. On the other hand any loss created due to sale or repurchase of unit at discount or premium respectively is recognized as loss in the income statements in the year of its creation.

K.M. HASAN & CO CHARTERED ACCOUNTANTS

3.8 Going Concern

The financial statements of Prime Finance Second Mutual Fund have been prepared on a going concern basis, which assumes that the Fund will continue its operations for the foreseeable future.

Management closely monitors the Fund's performance, including compliance with regulatory requirements, investor redemptions, and market conditions. While the Fund's current net asset size remains above the regulatory threshold.

Management remains committed to implementing strategies to improve the Fund's performance and preserve its net asset size above the regulatory threshold. In view of the current financial position and management's action plans, the financial statements have been prepared on a going concern basis.

3.9 Cash flow statement

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

K.M. HASAN & CO. CHARTERED ACCOUNTANTS DHAKA

	Amount in Taka	
	2025	2024

4. Investment at market price

Investment in Securities at cost price **(Annexure - A)**	194,512,939	202,572,316
Unrealised loss on investment **(Note- 4.1)**	(90,188,008)	(79,925,858)
Total investment	**104,324,931**	**122,646,458**

4.1 Unrealised loss on investment

Movement of Unrealised loss on investment is as follows:

Opening balance	79,925,858	33,352,584
Addition during the year	10,262,150	46,573,274
Closing balance	**90,188,008**	**79,925,858**

5. Dividend receivable

Cash dividend receivable from:

ACMELAB	297,052	262,052
ACTIVEFINE	9,573	9,573
AAMRATECH	7,980	7,980
BARKAPOWER	-	69,414
BDPAINTS	53,200	53,200
BBS Cables	-	11,103
CONFIDCEM	41,716	-
DESCO	83,652	83,652
ESQUIRENET	37,000	37,000
IFADAUTOS	10,403	5,202
PREMIERCEM	8,200	83,647
RUNNERAUTO	76,043	-
SKTRIMS	3,500	3,500
SSSTEEL	19,440	19,440
TITASGAS	15,000	37,499
UPGDCL	139,919	129,156
JAMUNAOIL	945,054	787,545
KPCL	50,000	100,000
MJLBD	585,042	585,041
OLYMPIC	180,000	-
PADMAOIL	400,000	334,400
RENATA	109,054	182,418
SUMITPOWER	93,870	-
MIRAKHTER	19,544	18,613
GHAIL	16,400	20,400
DOMINAGE	-	1,250
BSRMLTD	123,380	49,924
NIALCO	25,240	15,144
PENINSULA	2,272	-
GPHISPAT	52,000	-
GENEXIL	4,220	-
ACI	-	23914
	3,408,754	2,931,067
Provision for doubtful dividend receivable **(Note- 5.1)**	(384,354)	(384,354)
	3,024,400	**2,546,713**

Details of dividend receivable are shown in Annexure- C

K.M. HASAN & CO. CHARTERED ACCOUNTANTS

	Amount in Taka	
	2025	2024

5.1 Provision for doubtful dividend receivable

Provision made against the cash dividend receivable from the following company:

ACMELAB	89,502	89,502
DESCO	83,652	83,652
PADMAOIL	211,200	211,200
	384,354	**384,354**

6. Other assets

Accrued interest on STD Account	-	14,154
Accured Interest on IBBL Bond	429,098	217,620
Prepaid annual fees	85,419	-
	514,517	**231,774**

7. Cash and cash equivalents

Cash at bank (BRAC Bank PLC., A/C No. 1505201944161001)	586,037	4,338,470
Cash at bank (BRAC Bank PLC., A/C No. 1505201944161004)	371,877	1,401,934
Cash at bank (BRAC Bank PLC., A/C No. 1505201944161003)	443,316	444,157
Cash at bank (BRAC Bank PLC., A/C No. 1505201944161005)	61,958	62,648
Cash at BO Account **(Note-7.1)**	997,240	1,546,556
	2,460,429	**7,793,765**

7.1 Cash at BO Account

IDLC Securities Limited	957,494	1,506,810
Fareast Stocks and Bonds Limited	48	48
PFI Securities Limited	664	664
UCB Brokerage Limited	39,034	39,034
	997,240	**1,546,556**

8. Capital fund

	No. of Unit	Face value Per Unit Taka		
Subscribed by Resident Bangladeshi	14,056,853	10	140,568,530	150,838,800
Subscribed by Sponsor	2,000,000	10	20,000,000	20,000,000
	16,056,853		**160,568,530**	**170,838,800**

9. Retained earnings

Opening balance	(45,223,708)	9,715,659
Dividend paid during the year for the last year	-	(9,028,396)
	(45,223,708)	687,263
Net profit/(loss) for the year	(13,416,288)	(45,910,971)
Closing balance	**(58,639,996)**	**(45,223,708)**

10. Accounts payable

Payable management fees	138,186	1,643,094
Payable custodian fees	9,150	15,221
Audit fees payable	46,000	40,000
	193,336	**1,698,315**

K.M. HASAN & CO. CHARTERED ACCOUNTANTS DHAKA

	Amount in Taka	
	2025	2024

11. Other liabilities

TAX deducted at source	-	552,016
VAT deducted at source	-	21,150
	-	573,166

12. Net Asset Value (NAV):

at cost		
Value of net asset at cost	195,816,550	206,370,687
Number of units	16,056,853	17,083,880
Net Asset Value per unit	12.20	12.08
at market value		
Value of net asset at market price	105,628,541	126,444,829
Number of units	16,056,853	17,083,880
Net Asset Value per unit	6.58	7.40

13. Interest income

Interest on STD Account **(Note-13.1)**	26,298	101,533
	26,298	101,533

13.1 Interest on STD Account

Name of the Bank	Account No.		
BRAC BANK PLC.	1505201944161001	26,298	51,584
BRAC BANK PLC.	1505201944161004	-	49,949
		26,298	101,533

14. Management fees

Management fees	2,653,454	3,129,921
	2,653,454	3,129,921

Management fees is payable to Prime Finance Asset Management Company Limited as per Bangladesh Securities and Exchange Commission (Mutual Fund) Regulations, 2001. The Fund has to pay management fee to Prime Finance Asset Management Company Limited at the rates mentioned below:

Slab	Rate of Fees
On the weekly average NAV upto Taka 5.00 crore	2.50%
On Next 20.00 Crore of the weekly average NAV	2.00%
On Next 25.00 Crore of the weekly average NAV	1.50%
On rest of the weekly average NAV	1.00%

* Calculation of management fees on daily Net Asset Value (NAV) has been started from 1 December 2025.

15. Earning per unit for the year

Net profit for the year	(13,416,288)	(45,910,971)
Number of units	16,056,853	17,083,880
Earning per unit	(0.84)	(2.69)

K.M. HASAN & CO CHARTERED ACCOUNTANTS DHAKA

16. Related Party Disclosure

The mutual fund, in normal course of business, carried out a number of transactions with other entities that fall within the definition of related party contained in International Accounting Standard 24: Related party Disclosures. All transactions involving related parties arising in normal course of business are conducted on an arm's length basis at commercial rates on the same terms and conditions as applicable to the third parties. Details of transaction with related parties and balances with them as at 31 December 2025 were as follows.

Name of related party	Nature of relationship	Transaction during the year		Balance	
				Asset/(Liability)	
		Dr./ Adjustment	Cr./ Addition	2025	2024
Prime Finance Asset Management Company Limited	Management Fee	4,158,362	(2,653,454)	(138,186)	(1,643,094)
PFI Securities Limited	Securities house	-	-	664	664
Investment Corporation of Bangladesh	Trustee	126,238	(126,238)	-	
Investment Corporation of Bangladesh	Custodian	121,545	(115,474)	(9,150)	(15,221)

17. Events after the Reporting Period

(a) The Board of Trustee in its meeting held on 28 January 2026 approved the financial statements of the Fund for the year ended 31 December 2025 and authorized the same for issue.

(b) Except above, no other significant event had occurred till date of signing the financial statements.

Investment Corporation of Bangladesh
Trustee

Prime Finance Asset Management Co. Ltd.
Asset Manager

Place: Dhaka
Dated: 28 January 2026

K.M. HASAN & CO. CHARTERED ACCOUNTANTS DHAKA

Annexure - A

Prime Finance Second Mutual Fund

Investment at Market Price

As at 31 December 2025

Sl. No.	Instrument		Number of Unit Taka	Number of Sellable Unit Taka	Average Cost Taka	Total Cost Taka	Market Price per unit Taka	Total Market Price Taka	Unrealized Gain/ (Loss) Taka	Exposure %
1	AAMRATECH	IT	79,800	79,800	36.39	2,904,149	11.60	925,680	(1,978,469)	1.45%
2	GENEXIL	IT	42,200	42,200	69.01	2,912,153	26.90	1,135,180	(1,776,973)	1.45%
	Subtotal					**5,816,301**		**2,060,860**	**(3,755,441)**	**2.90%**
4	ACMELAB	Pharmaceuticals and Chemicals	69,300	69,300	80.50	5,578,780	70.90	4,913,370	(665,410)	2.78%
5	ACTIVEFINE	Pharma	382,917	382,917	31.72	12,147,555	5.50	2,106,044	(10,041,511)	6.06%
7	RECKITTBEN	Pharma	1,961	1,961	3,429.32	6,724,897	3,424.40	6,715,248	(9,648)	3.35%
8	RENATA	Pharmaceuticals and Chemicals	19,828	19,828	786.29	15,590,509	391.80	7,768,610	(7,821,899)	7.78%
	Subtotal					**40,041,741**		**21,503,272**	**(18,538,468)**	**19.97%**
9	BARKAPOWER	F&P	198,326	198,326	30.30	6,009,418	6.70	1,328,784	(4,680,634)	3.00%
10	DESCO	Fuel and Power	67,527	67,527	42.78	2,889,001	20.50	1,384,304	(1,504,698)	1.44%
11	JAMUNAOIL	Fuel and Power	52,503	52,503	199.76	10,488,226	167.90	8,815,254	(1,672,972)	5.23%
12	KPCL	Fuel and Power	100,000	100,000	32.11	3,211,430	10.50	1,050,000	(2,161,430)	1.60%
13	LINDEBD	Fuel and Power	4,067	4,067	1,012.46	4,117,679	750.10	3,050,657	(1,067,022)	2.05%
14	MJLBD	F&P	112,508	112,508	109.07	12,270,699	90.50	10,181,974	(2,088,725)	6.12%
15	PADMAOIL	Fuel and Power	11,800	11,800	279.92	3,303,006	168.20	1,984,760	(1,318,246)	1.65%
16	POWERGRID	Fuel and Power	40,000	40,000	60.75	2,429,850	26.70	1,068,000	(1,361,850)	1.21%
17	SUMITPOWER	Fuel and Power	89,400	89,400	41.52	3,711,870	12.30	1,099,620	(2,612,250)	1.85%
18	TITASGAS	Fuel and Power	75,000	75,000	40.71	3,053,075	15.50	1,162,500	(1,890,575)	1.52%
19	UPGDCL	Fuel and Power	21,526	21,526	272.11	5,857,446	116.10	2,499,169	(3,358,277)	2.92%
	Subtotal					**57,341,699**		**33,625,021**	**(23,716,678)**	**28.60%**

K.M. HASAN & CO. CHARTERED ACCOUNTANTS DHAKA

Annexure - A

Prime Finance Second Mutual Fund
Investment at Market Price
As at 31 December 2025

Sl. No.	Instrument		Number of Unit Taka	Number of Sellable Unit Taka	Average Cost Taka	Total Cost Taka	Market Price per unit Taka	Total Market Price Taka	Unrealized Gain/ (Loss) Taka	Exposure %
20	BBSCABLES	ENG	111,030	111,030	64.84	7,199,072	15.20	1,687,656	(5,511,416)	3.59%
21	BSRMLTD	ENG	24,676	24,676	92.65	2,286,311	75.10	1,853,168	(433,144)	1.14%
22	GPHISPAT	ENG	104,000	104,000	20.69	2,152,168	16.00	1,664,000	(488,168)	1.07%
23	IFADAUTOS	ENG	52,017	52,017	74.50	3,875,261	21.60	1,123,567	(2,751,694)	1.93%
24	MIRAKHTER	ENG	18,613	18,613	66.09	1,230,128	27.30	508,135	(721,993)	0.61%
25	NIALCO	ENG	25,240	25,240	45.90	1,158,507	22.10	557,804	(600,703)	0.58%
26	WALTONHIL	ENG	2,200	2,200	1,257.10	2,765,620	376.90	829,180	(1,936,440)	1.38%
27	RUNNERAUTO	ENG	76,043	76,043	61.55	4,680,687	36.70	2,790,778	(1,889,909)	2.33%
28	SINGERBD	ENG	20,762	20,762	182.13	3,781,351	84.50	1,754,389	(2,026,962)	1.89%
29	SSSTEEL	ENG	97,200	97,200	20.10	1,953,899	4.10	398,520	(1,555,379)	0.97%
	Subtotal					**31,083,004**		**13,167,197**	**(17,915,807)**	**15.50%**
30	BATBC	Food and Allied	10,000	10,000	379.33	3,793,306	248.60	2,486,000	(1,307,306)	1.89%
31	GHAIL	Food	164,000	164,000	14.05	2,304,085	10.60	1,738,400	(565,685)	1.15%
32	OLYMPIC	ENG	60,000	60,000	243.44	14,606,424	137.40	8,244,000	(6,362,424)	7.28%
	Subtotal					**20,703,815**		**12,468,400**	**(8,235,415)**	**10.33%**
33	BPML	Paper and printing	55,000	55,000	76.24	4,193,148	25.10	1,380,500	(2,812,648)	2.09%
	Subtotal					**4,193,148**		**1,380,500**	**(2,812,648)**	**2.09%**
34	CONFIDCEM	Cem	41,716	41,716	121.29	5,059,825	49.20	2,052,427	(3,007,398)	2.52%
35	PREMIERCEM	Cem	8,200	8,200	52.10	427,253	39.20	321,440	(105,813)	0.21%
36	HEIDELBCEM	Cem	12,106	12,106	540.72	6,545,946	216.10	2,616,107	(3,929,839)	3.26%
	Subtotal					**12,033,024**		**4,989,974**	**(7,043,050)**	**6.00%**

K.M. HASAN & CO. CHARTERED ACCOUNTANTS DHAKA

Annexure - A

Prime Finance Second Mutual Fund
Investment at Market Price
As at 31 December 2025

Sl. No.	Instrument		Number of Unit Taka	Number of Sellable Unit Taka	Average Cost Taka	Total Cost Taka	Market Price per unit Taka	Total Market Price Taka	Unrealized Gain/ (Loss) Taka	Exposure %
37	ESQUIRENIT	TXT	37,000	37,000	35.23	1,303,602	20.30	751,100	(552,502)	0.65%
	Subtotal					**1,303,602**		**751,100**	**(552,502)**	**0.65%**
38	GP	Telecommunications	19,500	19,500	352.81	6,879,721	257.90	5,029,050	(1,850,671)	3.43%
	Subtotal					**6,879,721**		**5,029,050**	**(1,850,671)**	**3.43%**
39	IBBLPBOND	Bank	2,925	2,925	869.96	2,544,637	615.00	1,798,875	(745,762)	1.27%
	Subtotal					**2,544,637**		**1,798,875**	**(745,762)**	**1.27%**
40	IDLC	Financial Institutions	46,611	46,611	64.93	3,026,507	35.70	1,664,013	(1,362,494)	1.51%
41	LANKABAFIN	Financial Institutions	20,895	20,895	39.18	818,625	12.30	257,009	(561,617)	0.41%
42	PLFSL	Financial Institutions	18,748	18,748	49.34	924,975	0.53	9,936	(915,039)	0.46%
	Subtotal					**4,770,108**		**1,930,958**	**(2,839,150)**	**2.38%**
43	SKTRIMS	Misc	20,000	20,000	41.13	822,642	7.90	158,000	(664,642)	0.41%
45	BEXIMCO	Miscellaneous	15,750	15,750	117.00	1,842,678	110.10	1,734,075	(108,603)	0.92%
	Subtotal					**2,665,320**		**1,892,075**	**(773,245)**	**1.33%**
						189,376,119		**100,597,281**	**(88,778,838)**	**94.45%**
	Investment in Mutual Fund **(Annexure B)**					5,136,819		3,727,649	(1,409,170)	2.56%
						194,512,939		**104,324,931**	**(90,188,008)**	**97.01%**

K.M. HASAN & CO. CHARTERED ACCOUNTANTS DHAKA

Annexure - B

Details of investment in Mutual Funds
As at 31 December 2025

Investment in closed-ended mutual funds:

Sl. No.	Instrument	Number of Sellable Unit	Average Cost	Total Cost	Market price	Total Market Price	Provision	Exposure
		Taka	Taka	Taka	Taka	Taka	Taka	%
1	GRAMEENS2	208,126	17.01	3,539,517	10.80	2,247,761	(1,291,756)	1.77%
2	VAMLBDMF1	208,435	7.66	1,597,303	7.10	1,479,889	(117,414)	0.80%
Total				5,136,819		3,727,649	(1,409,170)	2.56%

K.M. HASAN & CO. CHARTERED ACCOUNTANTS DHAKA

Annexure C

Prime Finance Second Mutual Fund
Statement of Dividend Receivables
As at 31 December 2025

SL No.	Script Name	Sector	Record Date	Quantity	Rate	Amount Taka
1	AAMRATECH	IT	18-Nov-24	79,800.00	1%	7,980
2	ACMELAB	Pharmaceuticals & Chemicals		25,572.00	35%	89,502
3	ACMELAB	Pharmaceuticals & Chemicals	18-Nov-25	59,300.00	35%	207,550
4	ACTIVEFINE	Pharmaceuticals & Chemicals	17-Nov-22	382,917.00	0.25%	9,573
5	BDPAINTS	Pharmaceuticals & Chemicals	6-Dec-23	53,200.00	10%	53,200
6	BSRMLTD	Engineering	10-Nov-25	24,676.00	50%	123,380
7	CONFIDCEM	Cement	25-Nov-25	41,716.00	10%	41,716
8	DESCO	Fuel & Power	9-Nov-17	33,545.00	10%	33,545
9	DESCO	Fuel & Power	21-Nov-19	41,756.00	12%	50,107
10	ESQUIREKNIT	Textile	2-Dec-25	37,000.00	10.0%	37,000
11	GENEXIL	IT	21-Dec-25	42,200.00	1%	4,220
12	GHAIL	Food & Allied	23-Nov-25	164,000.00	1%	16,400
13	GPHISPAT	Engineering	23-Dec-25	104,000.00	5%	52,000
14	IFADAUTOS	Engineering	17-Nov-25	52,017.00	2%	10,403
15	JAMUNAOIL	Fuel & Power	24-Dec-25	52,503.00	180%	945,054
16	KPCL	Fuel & Power	18-Nov-25	100,000.00	5%	50,000
17	MIRAKHTER	Engineering	16-Nov-25	18,613.00	10.5%	19,544
18	MJLBD	Fuel & Power	17-Nov-25	112,508.00	52%	585,042
19	NIALCO	Engineering	13-Nov-25	25,240.00	10%	25,240
20	OLYMPIC	Food & Allied	17-Nov-25	60,000.00	30%	180,000
21	PADMAOIL	Fuel & Power	27-Nov-25	11,800.00	160%	188,800
22	PADMAOIL	Fuel & Power	27-Nov-17	8,800.00	110%	96,800
23	PADMAOIL	Fuel & Power	26-Nov-19	8,800.00	130%	114,400
24	PENINSULA	Travel & Tours	17-Nov-25	45,432.00	0.5%	2,272
25	PREMIERCEM	Cement	16-Nov-25	8,200.00	10%	8,200
26	RENATA	Pharmaceuticals & Chemicals	17-Nov-25	19,828.00	55%	109,054
27	RUNNERAUTO	Engineering	25-Nov-25	76,043.00	10%	76,043
28	SKTRIMS	Miscellaneous	12-Dec-24	20,000.00	2%	3,500
29	SSSTEEL	Engineering	5-Dec-24	97,200.00	2.00%	19,440
30	SUMMITPOWER	Fuel & Power	11-Nov-25	89,400.00	11%	93,870
31	TITASGAS	Fuel & Power	17-Nov-25	75,000.00	2%	15,000
32	UPGDCL	Fuel & Power	17-Nov-25	21,526.00	65%	139,919
						3,408,754

K.M. HASAN & CO. CHARTERED ACCOUNTANTS DHAKA

Prime Finance Second Mutual Fund
Statement of Capital Gain/(loss)
For the year ended 31 December 2025

Annexure- D

SL No.	Script Name	Sector	Amount in Taka
1	ACI	Pharmaceuticals & Chemicals	18,635
2	BATBC	Food & Allied	(178,164)
3	CITYBANK	Bank	180,227
4	DOMINAGE	Engineering	(616,139)
5	EPGL	Fuel & Power	(1,670,663)
6	FAMILYTEX	Textile	(1,415,116)
7	GHAIL	Food & Allied	48,249
8	GPHISPAT	Engineering	17,809
9	IBNSINA	Pharmaceuticals & Chemicals	375,673
10	LINDEBD	Engineering	(45,871)
11	PENINSULA	Travel & Leisure	20,264
12	RECKITTBEN	Pharmaceuticals & Chemicals	3,854
13	SUMMITPOWER	Fuel & Power	(1,347,450)
	Total		**(4,608,694)**

K.M. HASAN & CO. CHARTERED ACCOUNTANTS DHAKA

Annexure- E

Prime Finance Second Mutual Fund
Statement of Dividend Income
For the year ended 31 December 2025

SL No.	Script Name	Sector	Record Date	Quantity	Rate	Amount In Taka
1	ACI	Adjustement of excess calculation				(3,038)
2	ACMELAB	Pharmaceuticals & Chemicals	18-Nov-25	59,300	35%	207,550
3	BATBC	Food & Allied	26-Mar-25	8,750	150%	131,250
4	BSRMLTD	Engineering	10-Nov-25	24,676	50%	123,380
5	CITYBANK	Bank	22-May-25	265,777	13%	332,111
6	CONFIDCEM	Cement	25-Nov-25	41,716	10%	41,716
7	ESQUIREKNIT	Textile	2-Dec-25	37,000	10%	37,000
8	GENEXIL	IT				12,660
9	GENEXIL	IT	21-Dec-25	42,200	1%	4,220
10	GHAIL	Food & Allied	23-Nov-25	164,000	1%	16,400
11	GP	Telecommunication	26-Feb-25	19,500	170%	331,500
12	GP	Telecommunication	13-Aug-25	19,500	110%	214,500
13	GPHISPAT	Engineering	23-Dec-25	104,000	5%	52,000
14	GRAMEENS2	Mutual Fund	14-Aug-25	208,126	8%	156,095
15	HEIDELBERGCEM	Cement	20-May-25	12,106	25%	30,265
16	IBNSINA	Pharmaceuticals & Chemicals	26-Oct-25	1,049	64%	6,714
17	IDLC	Financial Institutions	12-May-25	44,392	15%	66,604
18	IFADAUTOS	Adjustement of excess calculation				(51)
19	IFADAUTOS	Engineering	17-Nov-25	52,017	2%	10,403
20	JAMUNAOIL	Fuel & Power	24-Dec-25	52,503	180%	945,054
21	KPCL	Fuel & Power	18-Nov-25	100,000	5%	50,000
22	LINDEBD	Fuel & Power	9-Apr-25	3,000	400%	120,000
23	MIRAKHTER	Engineering	16-Nov-25	18,613	11%	19,544
24	MJLBD	Fuel & Power	17-Nov-25	112,508	52%	585,042
25	NIALCO	Engineering	13-Nov-25	25,240	10%	25,240
26	OLYMPIC	Food & Allied	17-Nov-25	60,000	30%	180,000
27	PADMAOIL	Fuel & Power	27-Nov-25	11,800	160%	188,800
28	PENINSULA	Travel & Tours	17-Nov-25	45,432	1%	2,272
29	PREMIERCEM	Cement	16-Nov-25	8,200	10%	8,200
30	RENATA	Pharmaceuticals & Chemicals	17-Nov-25	19,828	55%	109,054
31	RUNNERAUTO	Engineering	25-Nov-25	76,043	10%	76,043
32	SINGERBD	Engineering	18-Feb-25	20,762	10%	20,762
33	SUMMITPOWER	Fuel & Power	10-Mar-25	139,400	10%	139,400
34	SUMMITPOWER	Fuel & Power	11-Nov-25	89,400	11%	93,870
35	TITASGAS	Fuel & Power	17-Nov-25	75,000	2%	15,000
36	UPGDCL	Fuel & Power	17-Nov-25	21,526	65%	139,919
37	WALTONHIL	Engineering	28-Sep-25	2,000	175%	35,000
	Total					**4,524,478**

* The amount was adjusted against the last year's receivable because the amount was not received.

K.M. HASAN & CO. CHARTERED ACCOUNTANTS

Prime Finance Second Mutual Fund
Statement of Securities Purchased during the year
As at 31 December 2025

Annexure- F

SL No.	Instrument	Quantity	Avg. Rate	Amount in Taka
1	ACMELAB	10,000	69.85	699,897
2	BATBC	3,000	276.5	831,159
3	BSRMLTD	6,412	89	571,809
4	BSRMLTD	4,000	89	356,712
5	GHAIL	60,000	12.4	745,488
6	GPHISPAT	50,000	21.13	1,058,513
7	GPHISPAT	44,000	20.55	905,810
8	GPHISPAT	16,000	20.2	323,846
9	GPHISPAT	24,000	20.5	492,984
10	IBNSINA	5,000	291.81	1,461,948
11	IBNSINA	5,000	290.11	1,453,455
12	IBNSINA	600	302	181,562
13	LINDEBD	528	937.83	496,167
14	LINDEBD	1,472	937.79	1,383,193
15	LINDEBD	201	905	182,269
16	LINDEBD	799	901	721,339
17	LINDEBD	67	940	63,106
18	LINDEBD	1,000	948.53	950,430
19	PADMAOIL	3,000	200	601,200
20	PREMIERCEM	8,200	52	427,253
21	RECKITTBEN	1,000	3455.95	3,462,862
22	RECKITTBEN	500	3420	1,713,420
23	RECKITTBEN	300	3330	1,000,998
24	RECKITTBEN	200	3400	681,360
25	VAMLBDMF1	50,000	7	350,700
	Total			**21,117,480**

K.M. HASAN & CO. CHARTERED ACCOUNTANTS DHAKA