



মালেক সিদ্দিকী ওয়ালী, চার্টার্ড একাউন্টেন্টস

৯-জি, মতিঝিল বানিজ্যিক এলাকা, ঢাকা-১০০০

Malek Siddiqui Wali

CHARTERED ACCOUNTANTS

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Independent Auditors' Report To the Trustee of Rupali Life Insurance First Mutual Fund

We have audited the accompanying Statement of Financial Position of **Rupali Life Insurance First Mutual Fund**, which comprises the statement of Financial Position as at June 30, 2015 and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period from March 31, 2015 to June 30, 2015 then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements:

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Principles (GAAP), Bangladesh Accounting Standard (BAS)/Bangladesh Financial Reporting Standards (BFRS) and other applicable laws and regulations and for such internal control as management determines, which is necessary to enable the preparation of financial statements that are free from material misstatement, where due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance where the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluation the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion, the financial statements prepared in accordance with Generally Accepted Accounting Principles (GAAP), Bangladesh Accounting Standard (BAS)/Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as of June 30, 2015 and of the results of its operations and its cash flows for the period then ended and comply with the requirements of Bangladesh Securities and Exchange Commission Mutual Fund Bidhimala (Rules) 2001, Trust Deed and other applicable laws and regulations.

We also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) the Company's Statement of Financial Position and Statement of Comprehensive Income dealt with by the report are in agreement with the books of accounts;
- d) the investment was made as per Rule 56 of Bangladesh Securities and Exchange Commission Mutual Fund Bidhimala (Rules) 2001.

Dated: Dhaka
August 14, 2015

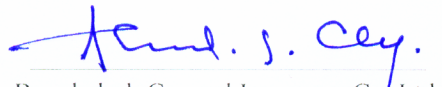

Malek Siddiqui Wali
Chartered Accountants

Rupali Life Insurance First Mutual Fund
Statement of Financial Position
As at 30 June 2015

	Notes	As at June 30, 2015 Taka
ASSETS		
Preliminary expenses	4	3,999,859
Investment at cost price less provision for unrealised loss	5	132,272,833
Advance, deposits and prepayments		400,000
Accrued interest		1,928,960
Other asset	6	2,287,718
Cash and cash equivalents	7	215,796,219
Total assets		356,685,589
LIABILITIES		
Accounts payable		66,125
Other liabilities		141,281
Total liabilities		207,406
Net assets		356,478,183
EQUITY		
Capital fund	8	326,707,200
Unit transaction reserve		32,550
Retained earnings	9	29,738,433
Total equity		356,478,183
Net Asset Value (NAV) per unit:	12	
at cost		11.68
at market price		10.91

The accompanying notes are an integral part of these financial statements.


The financial statements were approved by the Board of Trustee on August 14, 2015 and were signed on its behalf by:


Bangladesh General Insurance Co. Ltd.
Trustee


Prime Finance Asset Management Co. Ltd.
Asset Manager

Signed in terms of our separate report the annexed date even.

Dated: Dhaka
August 14, 2015

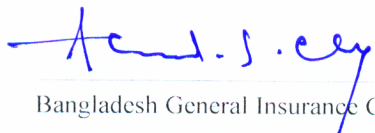

Malek Siddiqui Wali
Chartered Accountants

Rupali Life Insurance First Mutual Fund
Statement of Comprehensive Income
For the period from 31 March to 30 June 2015

	Notes	For the period from March 31 to June 30, 2015 Taka
INCOME		
Capital gain		1,746,427
Dividend		901,640
Interest on debenture / bond		529,341
Interest income		3,925,354
Change in Fair value of investment	10	3,521,451
Total income		10,624,213
EXPENSES		
Management fees	11	1,652,972
Annual fees		326,112
Initial expenses		401,349
Custodian fees		105,671
Trustee fees		75,333
CDBL charges		20,073
Audit fees		8,625
Bank charges		4,780
Total expenses		2,594,915
Net profit for the period		8,029,298
Earning per Unit		0.25

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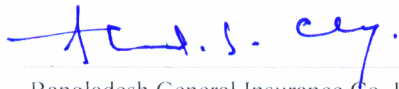

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Chartered Accountants

Rupali Life Insurance First Mutual Fund
Statement of Changes in Equity
For the period from 31 March to 30 June 2015

	Capital Fund <u>Taka</u>	Unit money deposit <u>Taka</u>	Unit Transaction Reserve <u>Taka</u>	Retained earnings <u>Taka</u>	Total <u>Taka</u>
Balance as at 30 March 2015	200,000,000	61,385,963	-	21,709,135	283,095,098
Unit money deposited transferred to capital fund		(61,385,963)	-	-	(61,385,963)
Unit subscription	126,707,200	-	-	-	126,707,200
Reserve made during the period	-	-	32,550	-	32,550
Net profit for the period	-	-	-	8,029,298	8,029,298
Balance as at 30 June 2015	326,707,200	-	32,550	29,738,433	356,478,183

The accompanying notes are an integral part of these financial statements.

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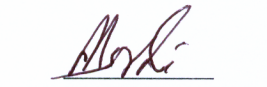
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Trustee



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Dated: Dhaka
August 14, 2015



Malek Siddiqui Wali
Chartered Accountants

Rupali Life Insurance First Mutual Fund

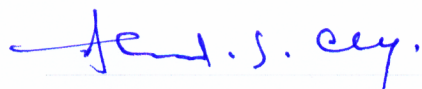
Statement of Cash Flow

For the period from 31 March to 30 June 2015

	2015 <u>Taka</u>
A. Cash flows from operating activities:	
Cash paid for preliminary expenses liability	(50,799)
Cash paid for operating expenses	(688,616)
Interest received	3,605,094
Capital gain	1,746,427
Dividend received	901,640
Bank charge	(4,780)
<i>Net cash flows from operating activities</i>	<u>5,508,966</u>
B. Cash flows from investing activities	
Cash paid for investment	(42,177,437)
<i>Net cash used for investing activities</i>	<u>(42,177,437)</u>
C. Cash flows from financing activities:	
Capital fund	65,321,237
Cash received on account of transaction of unit	32,550
<i>Net cash generated from financing activities</i>	<u>65,353,787</u>
D. Net increase in cash and cash equivalents (A+B+C)	28,685,316
E. Opening cash and cash equivalents	<u>187,110,903</u>
F. Closing cash and cash equivalents (D+E):	<u><u>215,796,219</u></u>

The accompanying notes are an integral part of these financial statements.

The financial statements were approved by the Board of Trustee on August 14, 2015 and were signed on its behalf by:




Bangladesh General Insurance Co. Ltd.
Trustee



Prime Finance Asset Management Co. Ltd.
Asset Manager

Signed in terms of our separate report the annexed date even.

Dated: Dhaka
August 14, 2015



Malek Siddiqui Wali
Chartered Accountants

Rupali Life Insurance First Mutual Fund
Notes to the Financial Statements
For the period ended 30 June 2015

1. The Fund

Rupali Life Insurance First Mutual Fund is an open-ended fund registered with Sub-Registrar's Office and Bangladesh Securities and Exchange Commission. Bangladesh Securities and Exchange Commission has given its permission for formation of the Scheme on 31 March 2015. As per Trust Deed the size of the Fund is Tk. 500,000,000 (Taka five hundred million only). Actual fund size at the date of formation was Taka 326,707,200 out of which Taka 200,000,000 (Taka two hundred million) was subscribed by the Sponsor, Rupali Life Insurance Company Limited and rest of the amount was subscribed by several individuals and institutions.

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) and as per requirements of Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001 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

These financial statements are presented in Bangladesh 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

2.5 Reporting period

The financial period of the company covers one year from 1 July to 30 June. These financial statements are prepared for the period from 31 March 2015 to 30 June 2015.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Investment policy

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

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

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

3.1.4 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.

3.1.5 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.

3.1.6 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.

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

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

3.1.9 The Fund shall not invest in or lend to another Scheme managed by Prime Finance Asset Management Company.

3.1.10 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 other than mutual funds 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.

3.2.3 For mutual funds held in the portfolio of the Fund, the average quoted closing market price at the Stock Exchange(s) on the date of valuation and the circular no. SEC/CMRRCD/2009-193/172 dated 30 June 2015 of Bangladesh Securities and Exchange Commission shall be taken into account for the calculation of Net Asset Value (NAV) of the Fund. As per circular no. SEC/CMRRCD/2009-193/172 dated 30 June 2015 Mutual Funds need not to maintain provision when the Average Cost Price of close-end and open-end mutual fund is lower than 85% and 95% respectively of NAV at current market price.

3.2.4 Net Asset Value (NAV) calculation

The Fund will use the following formula to derive NAV per unit:

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

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

VA = Value of all securities in vault + Value of all securities placed in lien + Cash in hand and 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.

LT = 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 in hand and 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 tax under the provision of Sixth Schedule-Part A of Income Tax Ordinance 1984. For this reason no provision of tax has been made in the financial statements.

3.6 Revenue recognition

3.6.1 Capital gain

Capital gain 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 Interest income

Interest income is recognized as it accrues.

3.7 Cash flow statement

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

4. Preliminary expenses

30 June
2015
Taka

Break-up of preliminary expenses is as follows:

Formation fees-Preliminary	2,894,154
Advertisement-Preliminary	697,461
Business development-Preliminary	175,237
CDBL Charge-Preliminary	182,959
Printing and stationery-Preliminary	50,048
Total	3,999,859

5. Investment at cost price less provision for unrealised loss

Investment in Securities at cost price (Annexure - 1)	147,311,764
Less: Provision for unrealized loss	(25,038,931)
	122,272,833
Investment in MTB Unit Fund (Repurchase price Taka 10.05 per Unit)	10,000,000
Closing balance	132,272,833

6. Other asset

Receivable from AMC	2,253,957
Prepaid trustee fees	33,761
	2,287,718

7. Cash and cash equivalents

Cash at bank (BRAC Bank Ltd., A/C No. 1505201944151002)	370,021
Cash at bank (BRAC Bank Ltd., A/C No. 1505201944151001)	52,333,159
Cash at bank (BRAC Bank Ltd., A/C No. 1505101944151001)	104,213,872
Cash at bank (BRAC Bank Ltd., A/C No. 1505201944151003)	1,088,751
Cash at BO Account	57,790,416
	215,796,219

8. Capital fund

	No. of Unit	Face value Per Unit Taka	Total Capital Fund Taka
Subscribed by Resident Bangladeshis	12,670,720	10	126,707,200
Subscribed by Sponsor	20,000,000	10	200,000,000
	32,670,720		326,707,200

9. **Retained earnings**

	30 June 2015 Total
Opening balance	21,709,135
Net profit for the period	8,029,298
Closing balance	29,738,433

10. **Other income**

The amount represents the excess provision made in the previous period against the investment. Based on the market price of investment as on 30 June 2015 provision is to be made against the investment by an amount of Taka 25,038,931 (Annexure 1). But we had made provision for an amount of Taka 28,560,382 in the accounts. For this reason the excess provision is reversed.

11. **Management fees**

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

<u>Slab</u>	<u>Rate of Fees</u>
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%

12. **Net Asset Value (NAV):**

at cost

Value of net asset at cost	381,517,114
Number of units	32,670,720
Net Asset Value per unit	11.68

at market value

Value of net asset at market price	356,478,183
Number of units	32,670,720
Net Asset Value per unit	10.91

12. **Events after balance sheet date**

The Board of Trustee of the Fund has approved cash dividend at the rate of 8% i.e., Taka 0.80 (Paisa eighty) per unit for the period ended 30 June 2015 at the meeting held on 14 August 2015.

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
1	ACTIVEFINE	92,000	87,000.00	59.11	5,437,707	58.60	5,391,200.00	(46,507.00)
2	AIMS1TMF	47,000	47,000.00	24.44	1,148,734	29.00	1,363,000.00	214,266.00
3	ALARABANK	65,171	65,171.00	14.97	975,754	12.60	821,154.60	(154,599.50)
4	AMCL(PRAN)	12,164	12,164.00	200.20	2,435,202	191.00	2,323,324.00	(111,878.00)
5	APOLOISPAT	17,950	17,950.00	20.11	360,984	19.80	355,410.00	(5,574.20)
6	BANKASIA	246,397	246,397.00	25.15	6,196,777	15.20	3,745,234.40	(2,451,542.60)
7	BARKAPOWER	128,772	124,772.00	31.10	4,005,074	32.50	4,185,090	180,016.00
8	BATASHOE	4,763	4,763.00	928.38	4,421,874	1,259.90	6,000,903.70	1,579,029.70
9	BATBC	308	308.00	2,867.05	883,052	3,045.00	937,860.00	54,807.90
10	BRACSBOND	1,965	1,965.00	1,000.00	1,965,000	1,030.00	2,023,950	58,950.00
11	BSRMSTEEL	34,000	34,000.00	76.05	2,585,698	73.60	2,502,400	(83,298.00)
12	CMCKAMAL	100,419	100,419.00	21.97	2,205,922	14.20	1,425,950	(779,972.20)
13	CONFIDCEM	29,040	28,040.00	97.97	2,845,116	86.40	2,509,056	(336,060.00)
14	DBH	7,530	7,530.00	107.91	812,550	81.20	611,436	(201,114.00)
15	DELTALIFE	10,169	10,169.00	184.55	1,876,713	106.20	1,079,948	(796,765.20)
16	DESCO	29,145	27,145.00	66.34	1,933,342	67.80	1,976,031.00	42,689.00
17	ENVOYTEX	21,529	21,529.00	47.19	1,015,914	47.50	1,022,628	6,713.50
18	FAMILYTEX	89,000	89,000.00	29.45	2,621,371	15.00	1,335,000	(1,286,371.00)
19	FAREASTLIF	28,932	25,550.00	116.71	3,376,586	70.00	2,025,240	(1,351,346.00)
20	FUWANGCER	40,925	40,925.00	26.11	1,068,534	12.80	523,840	(544,694.00)
21	GHAIL	45,400	45,400.00	45.88	2,083,075	29.10	1,321,140.00	(761,935.00)
22	GP	13,000	13,000.00	326.10	4,239,272	329.70	4,286,100	46,828.00
23	HEIDELBCEM	8,884	8,884.00	487.98	4,335,254	570.30	5,066,545	731,291.20
24	IBBLPBOND	3,500	3,500.00	869.82	3,044,363	934.00	3,269,000	224,637.00
25	IFIC1TMF	339,071	339,071.00	8.21	2,784,179	5.00	1,695,355	-
26	ISLAMIBANK	58,264	58,264.00	21.85	1,273,341	17.20	1,002,141	(271,200.20)
27	LANKABAFIN	16,082	16,082.00	56.65	911,062	27.80	447,079.60	(463,982.00)
28	MEGHNALIFE	9,185	9,185.00	228.29	2,096,881	68.30	627,335.50	(1,469,545.50)
29	METROSPIN	75,075	75,075.00	16.27	1,221,509	10.10	758,258	(463,251.50)

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
30	MICEMENT	38,400	38,400.00	92.02	3,533,634	76.00	2,918,400	(615,234.00)
31	NLI1STMF	460,300	460,300.00	8.98	4,132,425	8.70	4,004,610.00	-
32	OLYMPIC	4,800	4,800.00	220.52	1,058,480	234.80	1,127,040.00	68,560.00
33	ONEBANKLTD	107,636	107,636.00	13.83	1,488,302	13.10	1,410,031.60	(78,270.00)
34	PADMAOIL	9,400	9,400.00	318.71	2,995,894	244.30	2,296,420	(699,474.00)
35	PENINSULA	68,600	68,600.00	29.69	2,037,027	20.50	1,406,300	(630,727.00)
36	PHENIXINS	25,712	25,712.00	51.25	1,317,634	23.10	593,947	(723,686.80)
37	PLFSL	31,906	25,767.00	69.81	2,227,205	14.70	469,018.20	(1,758,187.20)
38	PRIMEBANK	131,540	131,540.00	34.83	4,581,058	17.30	2,275,642	(2,305,416.00)
39	RELIANCE1	493,000	493,000.00	8.68	4,278,285	7.70	3,796,100.00	-
40	RNSPIN	73,975	73,975.00	47.87	3,541,183	25.70	1,901,157.50	(1,640,025.50)
41	RUPALILIFE	45,032	45,032.00	79.58	3,583,679	36.30	1,634,662	(1,949,017.00)
42	SALVOCHEM	41,372	39,677.00	35.43	1,465,815	15.70	649,540	(816,274.60)
43	SEBL1STMF	345,700	345,700.00	8.18	2,828,024	8.30	2,869,310	41,286.00
44	SOUTHEASTB	175,207	175,207.00	20.90	3,662,638	16.70	2,925,957	(736,681.10)
45	SQUARETEXT	29,722	27,806.00	80.13	2,381,512	74.80	2,223,206	(158,306.00)
46	SQRPHARMA	37,695	37,695.00	243.74	9,187,744	262.20	9,883,629	695,884.80
47	STANDBANKL	223,329	223,329.00	20.02	4,471,703	9.70	2,166,291	(2,305,411.70)
48	SUMITPOWER	68,509	64,628.00	38.40	2,630,960	40.90	2,802,018	171,057.90
49	SUNLIFEINS	29,216	29,216.00	70.34	2,055,177	32.50	949,520	(1,105,657.00)
50	TAKAFULINS	8,372	7,475.00	31.42	263,037	18.50	154,882	(108,154.80)
51	TITASGAS	50,000	50,000.00	77.87	3,893,253	70.00	3,500,000	(393,253.20)
52	TRUSTBANK	113,850	113,850.00	29.53	3,362,554	22.50	2,561,625	(800,929.20)
53	UCBL	206,960	201,960.00	22.27	4,609,973	19.50	4,035,720	(574,253.00)
54	UNITEDAIR	31,240	31,240.00	15.95	498,126	10.30	321,772	(176,354.10)
55	Aman Feed				1,065,600		1,065,600	-
					147,311,764		120,574,007	(25,038,931)