

Rupali Life Insurance First Mutual Fund

Statement of Financial Position (Balance Sheet) as at 31 December 2022

	<u>Notes</u>	Un-audited 31 December 2022 Taka	Audited 30 June 2022 Taka
ASSETS			
Investment in securities at market price	4	271,218,100	291,509,513
Advance, deposits and prepayments	5	400,000	400,000
Accrued interest	6	619,939	41,527
Other assets	7	74,952	150,583
Cash dividend receivables	8	179,230	179,230
Investment in FDR	9	10,000,000	10,000,000
Cash and cash equivalents	10	30,939,610	47,557,653
Total assets		313,431,831	349,838,506
LIABILITIES			
Accounts payable	11	1,214,129	1,526,653
Other liabilities	12	421,998	37,081
Unclaimed dividend		-	-
Total liabilities		1,636,127	1,563,734
Net assets		311,795,704	348,274,772
EQUITY			
Capital fund	13	318,677,290	331,079,350
Retained earnings	14	(6,881,586)	17,195,422
Total equity		311,795,704	348,274,772
Net Asset Value (NAV) per unit:	15		
at cost		10.91	11.26
at market price		9.78	10.52

The annexed notes 1 to 19 form an integral part of these financial statements.


Md. Hasan Imam
 Head of Finance & Fund Management
 Prime Finance Asset
 Management Company Ltd.


Moizul Kashem
 Managing Director & CEO
 Prime Finance Asset
 Management Company Ltd.

Dhaka, 28 January 2023

Rupali Life Insurance First Mutual Fund

Statement of Profit or Loss and Other Comprehensive Income for the period ended 31 December 2022

	Notes	31 December 2022 Taka	31 December 2021 Taka
INCOME			
Capital gain on sale of shares		5,041,280	12,295,408
Dividend		928,552	2,655,661
Interest on debenture / bond		-	275,800
Interest income	16	578,412	1,048,763
Other income		718,845	-
Total income		7,267,089	16,275,632
EXPENSES			
Management fees	17	3,115,331	3,244,877
Advertisement expenses		156,400	174,800
Initial expenses		-	187,856
Custodian fees	18	75,631	96,104
Trustee fees	19	158,395	167,031
CDBL charges		30,780	55,319
IPO Charge-DSC		5,000	9,000
Bank charges		3,107	2,092
Total expenses		3,544,644	3,937,079
Profit before provision		3,722,445	12,338,553
(Provision)/Write back of provision for unrealized loss on investment		(11,245,486)	6,474,704
Net profit/(loss) for the period		(7,523,041)	18,813,257
Other Comprehensive income:			
Unrealised gain on investment		-	-
Comprehensive income for the period		(7,523,041)	18,813,257
 Earning per Unit		 (0.24)	 0.57

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Statement of Changes in Equity for the period ended 31 December 2022

	Capital Fund Taka	Retained earnings Taka	Total Taka
2022			
Balance as at 30 June 2022	331,079,350	17,195,422	348,274,772
Unit surrendered	(12,402,060)	-	(12,402,060)
Dividend paid during the period for the last year	-	(16,553,968)	(16,553,968)
Net profit for the period	-	(7,523,041)	(7,523,041)
Balance as at 31 December 2022	318,677,290	(6,881,586)	311,795,704
2021			
Balance as at 30 June 2021	327,495,660	46,417,096	373,912,756
Unit subscription	3,583,690	-	3,583,690
Dividend paid during the year for the last year	-	(45,849,392)	(45,849,392)
Net profit for the year	-	16,627,719	16,627,719
Balance as at 30 June 2022	331,079,350	17,195,422	348,274,772

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Rupali Life Insurance First Mutual Fund

Cash Flow Statement for the period ended 31 December 2022

	Un-audited 31 December 2022 <u>Taka</u>	Audited 30 June 2022 <u>Taka</u>
A. Cash flows from operating activities:		
Capital gain	5,041,280	19,396,494
Interest received	-	3,251,152
Dividend received	928,552	9,494,072
Cash paid for operating expenses	(3,803,763)	(13,469,101)
Financial expenses	(3,107)	(70,773)
Net cash flows from operating activities	2,162,962	18,601,844
B. Cash flows from investing activities		
Cash received from/ (paid for) investment in capital market	9,045,928	(36,360,815)
Cash received from encashment of FDR	-	40,000,000
Net cash used for investing activities	9,045,928	3,639,185
C. Cash flows from financing activities:		
Capital fund - Sale/(Repurchase)	(12,402,060)	3,583,690
Cash received/(paid) on account of transaction of unit	718,845	15,900
Dividend paid to the Unitholders	(16,143,718)	(45,849,392)
Net cash used in financing activities	(27,826,933)	(42,249,802)
D. Net increase in cash and cash equivalents (A+B+C)	(16,618,043)	(20,008,773)
E. Opening cash and cash equivalents	47,557,653	67,566,426
F. Closing cash and cash equivalents (D+E):	30,939,610	47,557,653
 Net operating cash flow per unit	 0.07	 0.56

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Dhaka, 28 January 2023

Rupali Life Insurance First Mutual Fund

Notes to the Financial Statements as at and for the period ended 31 December 2022

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 periods.

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 1 July 2022 to 31 December 2022.

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 in this regard.
- 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:

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 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. Investment in securities at market price

	31 December 2022 Taka	30 June 2022 Taka
A. Investment in Securities at cost price (Annexure - 1)	263,485,964	274,365,129
Less: Unrealised loss on investment	<u>(34,302,843)</u>	<u>(23,809,602)</u>
	<u>229,183,121</u>	<u>250,555,528</u>
B. Investment in Mutual Fund (Annexure - 2)	43,651,598	41,818,359
Less: Unrealised loss on investment	<u>(1,616,618)</u>	<u>(864,374)</u>
	<u>42,034,980</u>	<u>40,953,985</u>
Closing balance (A+B)	<u>271,218,101</u>	<u>291,509,513</u>

The fund has not any non performing investment as at 31 December 2022

5. Advance, deposits and prepayments

This represents the amount deposited to Central Depository Bangladesh Limited (CDBL) as Security Deposit

6. Accrued interest

Interest on FDR	375,555	41,527
Interest on STD Account	<u>244,384</u>	<u>-</u>
	<u>619,939</u>	<u>41,527</u>

7. Other assets

Prepaid custodian fees	74,952	150,583
	<u>74,952</u>	<u>150,583</u>

8. Cash dividend receivables

	31 December 2022 <u>Taka</u>	30 June 2022 <u>Taka</u>
Dividend receivable from:		
BATASHOE	18,800	18,800
City Bank Ltd.	31,334	31,334
Heidelberg Cement	44,096	44,096
MARICO Limited	85,000	85,000
	<u>179,230</u>	<u>179,230</u>

9. Investment in FDR

<u>Institution</u>	<u>FDR No.</u>		
Delta Brac Housing Finance Corporation	DBHFCL: FDR: 71000192579	10,000,000	10,000,000
		<u>10,000,000</u>	<u>10,000,000</u>

10. Cash and cash equivalents

Cash at Bank:		
Cash at bank (BRAC Bank Ltd., A/C No. 1505201944151002)	416,432	416,777
Cash at bank (BRAC Bank Ltd., A/C No. 1505201944151001)	13,506,509	12,674,265
Cash at bank (BRAC Bank Ltd., A/C No. 1505101944151001)	5,420,800	25,608,835
Cash at bank (BRAC Bank Ltd., A/C No. 1505201944151003)	1,259,454	1,259,799
Cash at BO Account	10,336,415	7,597,977
	<u>30,939,610</u>	<u>47,557,653</u>

11. Accounts payable

Payable to Prime Finance Asset Management Company Ltd.	1,055,734	1,440,403
Payable trustee fees	158,395	-
Audit fees payable	-	86,250
	<u>1,214,129</u>	<u>1,526,653</u>

12. Other liabilities

Tax deducted at source	7,548	901
Dividend payable	410,250	-
VAT deducted at source	4,200	36,180
	<u>421,998</u>	<u>37,081</u>

13. Capital fund

	No. of <u>Unit</u>	Face value Per Unit <u>Taka</u>	31 December 2022 <u>Taka</u>	30 June 2022 <u>Taka</u>
Subscribed by Resident Bangladeshis	11,867,729	10	118,677,290	131,079,350
Subscribed by Sponsor	20,000,000	10	200,000,000	200,000,000
	<u>31,867,729</u>		<u>318,677,290</u>	<u>331,079,350</u>

14. Retained earnings

Opening balance		17,195,422	46,417,096
Dividend paid during the period for the last period		(16,553,968)	(45,849,392)
		641,455	567,703
Net profit/(loss) for the period		(7,523,041)	16,627,719
Closing balance		<u>(6,881,586)</u>	<u>17,195,422</u>

15. Net Asset Value (NAV):**at cost**

Value of net asset at cost	347,715,165	372,948,748
Number of units	31,867,729	33,107,935
Net Asset Value per unit	<u>10.91</u>	<u>11.26</u>

at market value

Value of net asset at market price	311,795,704	348,274,772
Number of units	31,867,729	33,107,935
Net Asset Value per unit	<u>9.78</u>	<u>10.52</u>

16. Interest income

Interest on FDR	334,028	681,199
Interest income on STD Account	244,384	367,564
	<u>578,412</u>	<u>1,048,763</u>

17. 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 avreage NAV	2.00%
On Next 25.00 Crore of the weekly avreage NAV	1.50%
On rest of the weekly avreage NAV	1.00%

18. Custodian fees

As per Trust Deed the Fund shall pay to the Custodian a safe keeping fee @ 0.05% of balance securities held by the Fund calculated on the basis of average month end value per annum and trade settlement fees of BDT 200 per trade. In any case total custodian fee shall not exceed 0.07% of the initial fund size annually. Any out of pocket expenses may be applicable to the Fund operation from time to time.

19. Trustee fees

As per Trust Deed the Trustee, Bangladesh General Insurance Company Limited, shall be paid an annual Trusteeship fee of TK. 200,000/- (Taka Two Hundred Thousand) only or @ 0.10% of the Net Asset Value (NAV) of the Fund whichever is higher on semi-annual in advance basis, during the life of the Fund or as may be agreed upon between the parties.