

Prime Financial First Unit Fund

Statement of Financial Position as at 30 September 2023

| | <u>Notes</u> | Un-audited 30 September 2023 <u>Taka</u> | Audited 31 December 2022 <u>Taka</u> |
|--|--------------|---|---|
| ASSETS | | | |
| Investment in securities | 4 | 158,808,622 | 156,464,935 |
| Receivables | 5 | 621,170 | 4,228,582 |
| Other assets | 6 | 150,059 | - |
| Cash and cash equivalents | 7 | 33,318,093 | 32,026,016 |
| Total assets | | 192,897,944 | 192,719,533 |
| LIABILITIES | | | |
| Accounts payable | 8 | 1,960,549 | 1,333,354 |
| Other liabilities | 9 | 9,353,406 | 9,353,406 |
| Total liabilities | | 11,313,955 | 10,686,760 |
| Net assets | | 181,583,989 | 182,032,773 |
| EQUITY | | | |
| Capital fund | 10 | 179,675,800 | 180,554,400 |
| Unit premium reserve | | 1,614,846 | 1,598,518 |
| Retained earnings/(loss) | | 293,343 | (120,145) |
| Total equity | | 181,583,989 | 182,032,773 |
| Net Asset Value (NAV) per unit: | 11 | | |
| at cost | | 115.84 | 117.09 |
| at market price | | 101.06 | 100.82 |

The annexed notes 1 to 16 form an integral part of these financial statements.


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


Mohd. A. Kabir
Managing Director & CEO
Prime Finance Asset
Management Company Ltd.

Dhaka, 12 October 2023

Prime Financial First Unit Fund

Statement of Profit or Loss and Other Comprehensive Income
for the period ended 30 September 2023

| | | Un-audited | Un-audited | Q3 | Q3 |
|--|-------|--------------------|--------------------|--------------------|--------------------|
| | | 30 September | 30 September | From 1 Jly | From 1 Jly |
| | | 2023 | 2022 | to 30 Sep | to 30 Sep |
| | Notes | Taka | Taka | Taka | Taka |
| | | | | 2023 | 2022 |
| INCOME | | | | | |
| Capital gain | | 864,645 | 8,976,013 | 346,038 | 3,958,714 |
| Interest Income | 12 | 392,776 | 255,269 | 169,988 | 92,952 |
| Dividend earned | | 568,996 | 716,044 | 46,750 | - |
| Other income | | - | 1,598,518 | - | - |
| Total income (A) | | 1,826,417 | 11,545,844 | 562,776 | 4,051,666 |
| EXPENSES | | | | | |
| Management fees | 13 | 2,904,280 | 3,019,305 | 977,209 | 1,026,715 |
| Custodian fees | | 126,851 | 86,261 | 20,883 | 28,826 |
| Trustee fees | | 109,678 | 141,853 | 35,050 | 48,265 |
| CDBL charges | | 5,833 | 19,729 | 4,968 | 5,187 |
| Annual fees | | 206,394 | 179,760 | - | - |
| Advertisement | | 149,730 | 126,629 | 79,580 | 28,879 |
| IPO Charges | | 3,000 | 10,000 | - | 5,000 |
| Tax expense | | 640,000 | - | - | - |
| Bank charges | | 76,508 | 288 | 74,313 | - |
| Brokerage and other charges | | 3,950 | 157,500 | 450 | - |
| Total expense (B) | | 4,226,224 | 3,741,325 | 1,192,453 | 1,142,872 |
| Net profit/(loss) before provision (A - B) | | (2,399,807) | 7,804,519 | (629,677) | 2,908,794 |
| (Provision)/Write back of provision against diminution in value of securities | | 2,813,295 | (11,707,087) | (1,154,642) | (4,749,597) |
| Net profit/(loss) for the period | | 413,488 | (3,902,568) | (1,784,319) | (1,840,803) |
| Other comprehensive income | | - | - | - | - |
| Total comprehensive income for the period | | 413,488 | (3,902,568) | (1,784,319) | (1,840,803) |
| Earning per unit | 14 | 0.23 | (2.16) | (0.99) | (1.02) |

The annexed notes 1 to 16 form an integral part of these financial statements.


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


Moin Al Khatem
Managing Director & CEO
Prime Finance Asset
Management Company Ltd.

Dhaka, 12 October 2023

Prime Financial First Unit Fund

Statement of Changes in Equity
for the year ended 30 September 2023

| | Capital Fund <u>Taka</u> | Unit Premium Reserve <u>Taka</u> | Retained Earnings <u>Taka</u> | Total <u>Taka</u> |
|---------------------------------|--------------------------------|---|-------------------------------------|----------------------|
| 2023 | | | | |
| Balance as at 1 January 2022 | 180,554,400 | 1,598,518 | (120,145) | 182,032,773 |
| Unit surrendered | (878,600) | - | - | (878,600) |
| Addition during the period | - | 16,328 | - | 16,328 |
| Net profit for the period | - | - | 413,488 | 413,488 |
| Balance as at 30 September 2023 | 179,675,800 | 1,614,846 | 293,343 | 181,583,989 |

| | Capital Fund <u>Taka</u> | Unit Premium Reserve <u>Taka</u> | Retained Earnings <u>Taka</u> | Total <u>Taka</u> |
|---------------------------------|--------------------------------|---|-------------------------------------|----------------------|
| 2022 | | | | |
| Balance as at 1 January 2022 | 146,593,300 | - | 35,636,246 | 182,229,546 |
| Unit subscribed | 33,961,100 | - | - | 33,961,100 |
| Addition during the period | - | 1,598,518 | - | 1,598,518 |
| Dividend paid during the period | - | - | (24,920,861) | (24,920,861) |
| Net loss for the period | - | - | (10,835,530) | (10,835,530) |
| Balance as at 31 December 2022 | 180,554,400 | 1,598,518 | (120,145) | 182,032,773 |

The annexed notes 1 to 16 form an integral part of these financial statements.


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


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

Dhaka, 12 October 2023

Prime Financial First Unit Fund
Statement of Cash Flows
for the period ended 30 September 2023

| | <u>Notes</u> | Un-audited 30 September 2023 <u>Taka</u> | Audited 31 December 2022 <u>Taka</u> |
|---|--------------|---|---|
| A. Cash flows from operating activities: | | | |
| Capital gain | | 864,645 | 9,623,229 |
| Interest received | | 242,717 | 714,447 |
| Dividend received | | 4,176,412 | 4,652,581 |
| Paid for operating expenses | | (3,522,525) | (3,908,571) |
| Bank charges | | (76,508) | (139,942) |
| <i>Net cash flows from operating activities</i> | | <u>1,684,741</u> | <u>10,941,744</u> |
| B. Cash flows from investing activities | | | |
| Cash received from/(used for) investment in securities | | 469,608 | (1,378,190) |
| <i>Net cash received/ (used) for investing activities</i> | | <u>469,608</u> | <u>(1,378,190)</u> |
| C. Cash flows from financing activities: | | | |
| Cash (paid)/received on account of surrender/sale of unit | | (878,600) | 33,961,100 |
| Cash received from/(paid for) transaction of unit | | 16,328 | 1,598,518 |
| Dividend paid | | - | (24,917,461) |
| <i>Net cash generated from financing activities</i> | | <u>(862,272)</u> | <u>10,642,157</u> |
| D. Net (decrease)/increase in cash and cash equivalents (A+B+C) | | 1,292,077 | 20,205,711 |
| E. Opening cash and cash equivalents | | 32,026,016 | 11,820,305 |
| F. Closing cash and cash equivalents (D+E): | | <u>33,318,093</u> | <u>32,026,016</u> |
| Cash flows from operating activities per unit | 15 | <u>0.94</u> | <u>6.06</u> |

The annexed notes 1 to 16 form an integral part of these financial statements.


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


Mohi Al Kabir
 Managing Director & CEO
 Prime Finance Asset
 Management Company Ltd.

Dhaka, 12 October 2023

Prime Financial First Unit Fund

Notes to the Financial Statements as at and for the year ended 30 September 2023

1. The Fund

Prime Financial First Unit Fund is an open-ended fund established as a Trust under the Trust Act 1882 and registered with Sub-Registrar's Office under the Registration Act 1908 on 2 June 2010. Bangladesh Securities and Exchange Commission also approved the Fund on 13 June 2010 vide Registration Code No. SEC/Mutual Fund/2010/24. The initial size of the Fund is Tk. 200,000,000 (Taka two hundred million only) divided into 2,000,000 units of Taka 100 each. Subsequently the size of the Fund has been increased to Taka 1,000,000,000 (Taka one billion) divided into 10,000,000 units of Taka 100 each on 10 November 2010.

Prime Finance & Investment Limited is the sponsor of the Fund and subscribed an amount of Taka 3,000,000 (Taka three million) only.

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

These financial statements have been prepared on a going concern basis under historical cost convention in accordance with generally accepted accounting principles.

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 Fund covers one year from 1 January to 31 December. These financial statements are prepared for the period from 1 January to 30 September 2023.

2.6 Taxation

The income of the Fund is exempted from Income Tax as per SRO No. 333-Act/Income Tax/2011 dated 10 November 2011, under section 44(4) clause (b) of Income Tax Ordinance 1984; hence no provision of tax is required.

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 Rules and only in those securities, deposits and investments approved by the 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 regards.

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

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

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

3.2.5 All money collected under the Fund shall be invested only in encashable/transferable instruments, securities whether in money market or capital market or privately placed pre-IPO equity, preference shares, debentures or securitized debts.

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

3.2.7 Only the Asset Management Company will make the investment decisions and place orders for securities to be purchased or sold for the Scheme's portfolio.

3.2 Valuation policy

- 3.2.1 For listed securities, the average quoted market price on the stock exchanges on the date of valuation shall form the basis of any calculation of Net Asset Value of such securities in the portfolio of the Fund.
- 3.2.2 For securitized debts, debentures, margin or fixed deposits, the accrued interest on such instruments on the date of valuation shall be taken into account in any calculation of Net Asset Value of such securities in the portfolio of the Fund.
- 3.2.3 The valuation of non-listed securities will be made by the Asset Management Company with their reasonable value and approved by the Trustee and commented upon by the Auditors in the annual report of the Scheme.

3.2.4 Net Asset Value (NAV) calculation

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

$$\text{Total NAV} = V_A - L_T$$

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

V_A = 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.

L_T = 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.

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 Revenue recognition

3.5.1 Capital gain

Capital gain is recognized on being realized.

3.5.2 Dividend income

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

3.5.3 Finance income

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

3.6 Cash flow statement

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

4. Investment at market price

| | 30 September 2023 <u>Taka</u> | 31 December 2022 <u>Taka</u> |
|--|-------------------------------------|------------------------------------|
| Investment at cost price (Annexure - 1) | 185,365,203 | 185,834,811 |
| Provision against diminution in value of securities (Annexure - 1) | <u>(26,556,581)</u> | <u>(29,369,876)</u> |
| Investment at market price | <u>158,808,622</u> | <u>156,464,935</u> |

The investment in marketable securities is designated as Held for Trading in accordance with BAS 39 Financial Instruments: Recognition and Measurement and measured at market value, and any gains or losses recognised in the face of Statement of Comprehensive Income.

5 Receivables

| | 30 September 2023 <u>Taka</u> | 31 December 2022 <u>Taka</u> |
|--------------------------------|-------------------------------------|------------------------------------|
| Cash dividend receivable from: | | |
| ACMELAB | - | 75,000 |
| BBS Cables | - | 75,662 |
| IFADAUTOS | - | 22,083 |

| | | |
|----------------------------|----------------|------------------|
| SSSTEEL | 9,305 | 9,306 |
| Baraka Power Ltd. | - | 84,452 |
| CONFIDCEM | - | 14,257 |
| DESCO | - | 55,319 |
| ESQUIRENIT | 94,375 | 131,375 |
| JAMUNAOIL | - | 390,132 |
| PADMAOIL | - | 88,612 |
| POWERGRID | - | 90,000 |
| RENATA | - | 141,344 |
| RUNNERAUTO | - | 88,102 |
| Lande Bangladesh | 132,000 | 132,000 |
| ACI Ltd (Due to Share) | - | 50,000 |
| Active Fine Chemicals Ltd. | 49,751 | 49,751 |
| Envoy Textiles Ltd. | - | 13,611 |
| Khulna Power Company Ltd. | - | 100,000 |
| MJL Bangladesh Ltd. | - | 283,105 |
| Olympic Industries | - | 220,333 |
| EPGL | - | 50,000 |
| SKTRIMS | - | 12,000 |
| UPGDCL | - | 462,791 |
| GRAMEENS2 | - | 310,590 |
| GP | 142,500 | 187,500 |
| GHAIL | - | 38,916 |
| DOMINAGE | - | 10,000 |
| City Bank Ltd. | 132,842 | 69,918 |
| SQUARPHARMA | - | 505,580 |
| MIRAKHTER | - | 23,250 |
| SAIFPOWER | - | 80,000 |
| PTL | - | 20,000 |
| RELIANCE1 | - | 138,440 |
| BSRMLTD | - | 85,526 |
| Beximcoltd | - | 45,000 |
| BDPAINTS | - | 24,627 |
| Heidelberg Cement | 10,397 | - |
| WALTONHIL | 50,000 | 50,000 |
| | <u>621,170</u> | <u>4,228,582</u> |

6. Other assets

| | 30 September 2023 Taka | 31 December 2022 Taka |
|---------------------------------|------------------------------|-----------------------------|
| Accrued interest on STD Account | 150,059 | - |
| | <u>150,059</u> | <u>-</u> |

7. Cash and cash equivalents

| | 30 September 2023 <u>Taka</u> | 31 December 2022 <u>Taka</u> |
|---|-------------------------------------|------------------------------------|
| Cash at bank (Dutch-Bangla Bank Limited, Local Office; A/c No. 1011200002870) | 29,775,981 | 23,101,855 |
| Cash at bank (Dutch-Bangla Bank Limited, Local Office; A/c No. 1011200007884) | 35,095 | 36,256 |
| Cash at BO Account with PFI Securities Ltd. | 796 | 7,327,548 |
| Cash at BO Account with Fareast Stocks & Bonds Ltd. | 770 | 770 |
| Cash at BO Account with UCB Capital Management Ltd. | 27,680 | 27,680 |
| Cash at BO Account with IDLC Securities Ltd. | 3,476,990 | 1,531,126 |
| Cash at BO Account with United Securities Ltd. | 781 | 781 |
| | <u>33,318,093</u> | <u>32,026,016</u> |

8. Accounts payable

| | | |
|--|------------------|------------------|
| Payable to Prime Finance Asset Management Company Ltd. | 1,677,645 | 1,073,364 |
| Custodian fees payable | 65,804 | 66,317 |
| Trustee fees payable | 217,100 | 107,423 |
| Audit fees payable | - | 86,250 |
| | <u>1,960,549</u> | <u>1,333,354</u> |

9. Other liabilities

| | | |
|--|------------------|------------------|
| Provision against doubtful investment (Note 9.1) | 9,343,800 | 9,343,800 |
| Dividend payable | 9,606 | 9,606 |
| | <u>9,353,406</u> | <u>9,353,406</u> |

9.1 Provision against doubtful investment

The above provision is made for investment in UFS-Popular Life Unit Fund (open-ended mutual fund) in view of the the risk of recoverability of the investment as the Asset Manager (Universal Financial Solutions Limited) of the said Fund has reportedly embezzled the Fund which was published in press recently.

10. Capital fund

| | No. of Unit | Face value Per Unit Taka | 30 September 2023 Total Capital Fund Taka |
|-------------------------------------|------------------|--------------------------------|---|
| Subscribed by Resident Bangladeshis | 1,766,758 | 100 | 176,675,800 |
| Subscribed by Sponsor | 30,000 | 100 | 3,000,000 |
| | <u>1,796,758</u> | | <u>179,675,800</u> |

11. Net Asset Value (NAV):

| | 30 September 2023 Taka | 31 December 2022 Taka |
|------------------------------------|------------------------------|-----------------------------|
| <u>at cost</u> | | |
| Value of net asset at cost | 208,140,570 | 211,402,649 |
| Number of units | 1,796,758 | 1,805,544 |
| Net Asset Value per unit | <u>115.84</u> | <u>117.09</u> |
| <u>at market value</u> | | |
| Value of net asset at market price | 181,583,989 | 182,032,773 |
| Number of units | 1,796,758 | 1,805,544 |
| Net Asset Value per unit | <u>101.06</u> | <u>100.82</u> |

12. Interest income

| | | |
|--------------------------------|----------------|----------------|
| Interest income on STD Account | 392,776 | 162,317 |
| | <u>392,776</u> | <u>162,317</u> |

13. 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 in the next page:

| <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 avrage NAV | 2.00% |
| On Next 25.00 Crore of the weekly avrage NAV | 1.50% |
| On rest of the weekly avrage NAV | 1.00% |

14. **Earning per unit**

Earning per unit is calculated on the basis of unit held as at 30 September 2023.

15. **Cash flows from operating activities per unit**

Cash flows from operating activities per unit is calculated on the basis of unit held as at 30 September 2023.

16. **Others**

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

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