

Prime Finance Second Mutual Fund

Statement of Financial Position (Balance Sheet) as at 31 March 2025

		Un-audited 31 March 2025 <u>Taka</u>	Audited 31 December 2024 <u>Taka</u>
	<u>Notes</u>		
ASSETS			
Current assets			
Investment in securities at market price	4	118,407,858	122,646,458
Dividend receivable	5	716,605	2,546,713
Other assets	6	267,956	231,774
Cash and cash equivalents	7	9,831,935	7,793,765
		129,224,354	133,218,710
Total assets		129,224,354	133,218,710
EQUITY			
Capital fund	8	170,838,800	170,838,800
Unit transaction reserve		829,737	829,737
Retained earnings	9	(47,313,147)	(45,223,708)
Total equity		124,355,390	126,444,829
Current liabilities			
Accounts payable	10	366,564	1,698,315
Dividend payable		4,502,400	4,502,400
Other liabilities	11	-	573,166
Total liabilities		4,868,964	6,773,881
Total equity and liabilities		129,224,354	133,218,710
Net Asset Value (NAV) per unit:			
at cost	12	12.06	12.08
at market price		7.28	7.40

The annexed notes 1 to 15 form an integral part of these financial statements.



Chairman
Investment Corporation of Bangladesh
Trustee



Member



Prime Finance Asset Management Co. Ltd.
Asset Manager

Dhaka, 24 April 2025

Prime Finance Second Mutual Fund
Statement of Profit and Loss and Other Comprehensive Income
for the period ended 31 March 2025

	<u>Notes</u>	1 January to 31 March 2025 Taka	1 January to 31 March 2024 Taka
INCOME			
Capital gains on sale of securities (Annexure 4)	13	(61,534)	358,456
Interest income		17,865	55,005
Dividend		619,823	-
Total income		576,154	413,461
EXPENSES			
Management fees	14	695,957	799,766
Preliminary and issue expenses		-	468,749
Advertisement expenses		73,025	-
Custodian fees		29,560	38,023
Trustee fees		27,509	37,483
CDBL charges		9,150	11,297
Audit fees		6,000	5,750
Bank charges		22,565	19,703
Dividend write off		-	10
Total expenses		863,766	1,380,781
Net profit/(loss) before provision (A - B)		(287,612)	(967,320)
(Provision)/Write back of provision	4.1	(1,801,827)	(28,441,708)
Net profit/(loss) for the period		(2,089,439)	(29,409,028)
Other Comprehensive income		-	-
Comprehensive income/(loss)		(2,089,439)	(29,409,028)
Earning per unit for the period	15	(0.12)	(1.72)

The annexed notes 1 to 15 form an integral part of these financial statements.

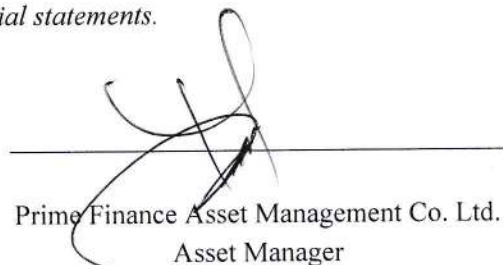


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Prime Finance Second Mutual Fund

Statement of Changes in Equity for the period ended 31 March 2025

	Capital Fund <u>Taka</u>	Unit Transaction Reserve <u>Taka</u>	Retained earnings <u>Taka</u>	Total <u>Taka</u>
Balance as at 1 January 2025	170,838,800	829,737	(45,223,708)	126,444,829
Net loss for the year	-	-	(2,089,439)	(2,089,439)
Balance as at 31 March 2025	170,838,800	829,737	(47,313,147)	124,355,390

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

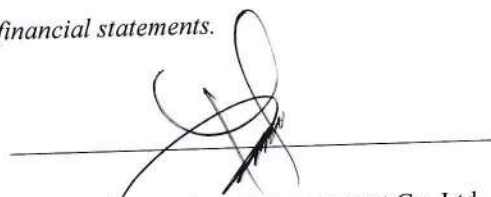
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Prime Finance Second Mutual Fund

Statement of Cash Flows for the period ended 31 March 2025

	Un-audited 1 January to 31 March 2025 <u>Taka</u>	Audited 1 January to 31 December 2024 <u>Taka</u>
Cash flows from operating activities:		
Capital gains/(loss) on sale of securities	(61,534)	(587,759)
Interest received	-	87,378
Dividend received	2,449,931	5,844,404
Cash paid for operating expenses	(2,764,435)	(2,720,380)
Bank charges	(22,565)	(22,820)
Net cash from operating activities (A)	(398,603)	2,600,823
Cash flows from investing activities		
Cash used to purchase securities	-	(33,227,272)
Cost of investment realised from sale of securities	2,436,774	34,222,593
Net cash used in investing activities (B)	2,436,774	995,321
Cash flows from financing activities:		
Capital fund	-	(9,729,110)
Cash received/(paid) for transaction of unit	-	829,737
Dividend paid to Unitholders	-	(7,527,596)
Net cash generated from/(used in) financing activities (C)	-	(16,426,969)
Net increase in cash and cash equivalents (D=A+B+C)	2,038,171	(12,830,825)
Opening cash and cash equivalents (E)	7,793,765	20,624,589
Closing cash and cash equivalents (F=D+E):	9,831,935	7,793,765
Net cash from operating activities per unit	(0.02)	0.15

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Dhaka, 24 April 2025

Prime Finance Second Mutual Fund

Notes to the Financial Statements for the period ended 31 March 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 Corporation 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 (IAS) and International Financial Reporting Standards (IFRS) and as per requirements of the 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

The 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

These financial statements are prepared for the period ended 31 March 2025.

3. Significant accounting policies

The accounting policies set out below have been applied consistently.

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 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 before 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.

3.2.3 Net Asset Value (NAV) calculation

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

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

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

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

V_L = 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 respectively. 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 creating.

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.

4. Investment at market price

	31 March 2025 <u>Taka</u>	31 December 2024 <u>Taka</u>
Investment in Securities at cost price (Annexure - 1)	200,135,543	202,572,316
Add: Unrealised loss on investment (Note 4.1)	<u>(81,727,685)</u>	<u>(79,925,858)</u>
Total investment	<u>118,407,858</u>	<u>122,646,458</u>

4.1 Unrealised loss on investment

Movement of Unrealised loss on investment in as follows:

Opening balance	79,925,859	33,352,585
Addition during the year	<u>1,801,827</u>	<u>46,573,274</u>
Closing balance	<u>81,727,686</u>	<u>79,925,859</u>

5. Dividend receivable

Cash dividend receivable from:

ACMELAB	89,502	262,052
ACTIVEFINE	9,573	9,573
AAMRATECH	7,980	7,980
BARKAPOWER	-	69,414
BDPAINTS	53,200	53,200
BBS Cables	-	11,103
DESCO	83,652	83,652
ESQUIRENET	-	37,000
IFADAUTOS	-	5,202
RUNNERAUTO	-	83,647
SKTRIMS	3,500	3,500
SSSTEEL	19,440	19,440
TITASGAS	-	37,499
UPGDCL	-	129,156
JAMUNAOIL	-	787,545
KPCL	-	100,000
MJLBD	-	585,041
PADMAOIL	211,200	334,400
RENATA	-	182,418
SUMITPOWER	139,400	-
BATBC	131,250	-
MIRAKHTER	-	18,613
GHAIL	-	20,400
GP	331,500	-
DOMINAGE	-	1,250
BSRMLTD	-	49,924
SINGERBD	20,762	-
NIALCO	-	15,144
ACI	-	23,914
	1,100,959	2,931,067
Provision for doubtful dividend receivable (Note 5.1)	(384,354)	(384,354)
	716,605	2,546,713

Details of dividend receivable are in Annexure 3

5.1 Provision for doubtful dividend receivable

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

	31 March 2025 <u>Taka</u>	31 December 2024 <u>Taka</u>
ACMELAB	89,502	89,502
DESCO	83,652	83,652
PADMAOIL	211,200	211,200
	384,354	384,354

Movement of the above provision is as follows:

Opening balance	384,354	384,354
Add: Addition during the period	-	-
Closing balance	<u>384,354</u>	<u>384,354</u>

6. Other assets

Accrued interest on STD Account	32,019	14,154
Interest on IBBLBond	217,620	217,620
Prepaid custodian fees	18,317	-
	<u>267,956</u>	<u>231,774</u>

7. Cash and cash equivalents

Cash at bank (BRAC Bank Ltd., A/C No. 1505201944161001)	4,847,943	4,338,470
Cash at bank (BRAC Bank Ltd., A/C No. 1505201944161004)	555,886	1,401,934
Cash at bank (BRAC Bank Ltd., A/C No. 1505201944161003)	443,662	444,157
Cash at bank (BRAC Bank Ltd., A/C No. 1505201944161005)	62,648	62,648
Cash at BO Account (Note 7.1)	3,921,796	1,546,556
	<u>9,831,935</u>	<u>7,793,765</u>

7.1 Cash at BO Account

	31 March 2025 Taka	31 December 2024 Taka
IDLC Securities Limited	3,882,050	1,506,810
Fareast Stocks and Bonds Limited	48	48
PFI Securities Limited	664	664
UCB Brokerage Limited	39,034	39,034
	<u>3,921,796</u>	<u>1,546,556</u>

8. Capital fund

	No. of Unit	Face value Per Unit Taka	31 March 2025 Taka	31 December 2024 Taka
Subscribed by Resident Bangladeshis	15,083,880	10	150,838,800	150,838,800
Subscribed by Sponsor	2,000,000	10	20,000,000	20,000,000
	<u>17,083,880</u>		<u>170,838,800</u>	<u>170,838,800</u>

9. **Retained earnings**

	31 March 2025 <u>Taka</u>	31 December 2024 <u>Taka</u>
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	(2,089,439)	(45,910,971)
Closing balance	(47,313,147)	(45,223,708)

10. **Accounts payable**

Payable management fees	339,054	1,643,094
Payable custodian fees	-	15,221
Payable trustee fees	27,510	-
Audit fees payable	-	40,000
	366,564	1,698,315

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	206,083,075	206,370,687
Number of units	17,083,880	17,083,880
Net Asset Value per unit	12.06	12.08

at market value

Value of net asset at market price	124,355,390	126,444,829
Number of units	17,083,880	17,083,880
Net Asset Value per unit	7.28	7.40

13. **Interest income**

	31 March 2025 <u>Taka</u>	31 March 2024 <u>Taka</u>
Interest on STD Account (Note 13.1)	17,865	55,005
	17,865	55,005

13.1 **Interest on STD Account**

<u>Name of the Bank</u>	<u>Account No.</u>		
BRAC BANK PLC.	1505201944161001	13,033	51,584
BRAC BANK PLC.	1505201944161003	1,643	-
BRAC BANK PLC.	1505201944161004	3,189	49,949
		17,865	101,533

14. **Management fees**

Management fees is payable to Prime Finance Asset Management Company Limited as per Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (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%

15. **Earning per unit for the period**

	31 March 2025 <u>Taka</u>	31 March 2024 <u>Taka</u>
Net profit for the period	(2,089,439)	(29,409,028)
Number of units	17,083,880	17,056,853
Earning per unit	(0.12)	(1.72)



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