

## Prime Finance Second Mutual Fund

### Statement of Financial Position (Balance Sheet) as at 30 September 2025

	<u>Notes</u>	Un-audited 30 September 2025	Audited 31 December 2024
		<u>Taka</u>	<u>Taka</u>
<b>ASSETS</b>			
<b>Current assets</b>			
Investment in securities at market price	4	118,879,498	122,646,458
Dividend receivable	5	456,069	2,546,713
Other assets	6	298,424	231,774
Cash and cash equivalents	7	2,785,321	7,793,765
		<u>122,419,312</u>	<u>133,218,710</u>
<b>Total assets</b>		<b><u>122,419,312</u></b>	<b><u>133,218,710</u></b>
<b>EQUITY</b>			
Capital fund	8	160,568,530	170,838,800
Unit transaction reserve		3,700,007	829,737
Retained earnings	9	(46,712,723)	(45,223,708)
<b>Total equity</b>		<b><u>117,555,814</u></b>	<b><u>126,444,829</u></b>
<b>Current liabilities</b>			
Accounts payable	10	361,098	1,698,315
Dividend payable		4,502,400	4,502,400
Other liabilities	11	-	573,166
<b>Total liabilities</b>		<b><u>4,863,498</u></b>	<b><u>6,773,881</u></b>
<b>Total equity and liabilities</b>		<b><u>122,419,312</u></b>	<b><u>133,218,710</u></b>
<b>Net Asset Value (NAV) per unit:</b>	12		
<b>at cost</b>		12.01	12.08
<b>at market price</b>		7.32	7.40

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

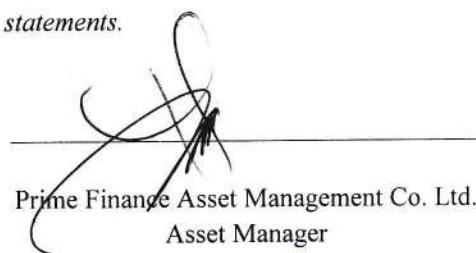


Chairman



Member

Investment Corporation of Bangladesh  
Trustee



Prime Finance Asset Management Co. Ltd.  
Asset Manager

Dhaka, 27 October 2025

**Prime Finance Second Mutual Fund**  
**Statement of Profit and Loss and Other Comprehensive Income**  
**for the period ended 30 September 2025**

	<u>Notes</u>	1 Jan to 30 Sep 2025 <u>Taka</u>	1 Jan to 30 Sep 2024 <u>Taka</u>	Q3 From 1 July to 30 Sep 2025 <u>Taka</u>	Q3 From 1 July to 30 Sep 2024 <u>Taka</u>
<b>INCOME</b>					
Capital gains on sale of securities ( <b>Annexure 4</b> )		(4,641,132)	(608,528)	(4,003,551)	498,893
Interest income	13	41,243	95,625	6,705	20,517
Dividend ( <b>Annexure 5</b> )		1,168,804	1,954,587	(110)	847,010
<b>Total income</b>		<b>(3,431,085)</b>	<b>1,441,684</b>	<b>(3,996,956)</b>	<b>1,366,420</b>
<b>EXPENSES</b>					
Management fees	14	2,046,365	2,408,147	670,380	777,356
Preliminary and issue expenses		-	468,749	-	-
Annual fees		170,839	170,569	-	-
Advertisement expenses		148,005	113,849	74,980	41,400
Custodian fees		87,930	103,468	29,707	33,504
Trustee fees ( <b>Annexure 7</b> )		93,223	98,532	30,104	31,586
CDBL charges		78,037	77,901	58,237	10,342
Audit fees		6,000	5,750	-	-
Bank charges		22,680	22,120	-	1,035
<b>Total expenses</b>		<b>2,653,079</b>	<b>3,469,085</b>	<b>863,408</b>	<b>895,223</b>
<b>Net profit/(loss) before provision (A - B)</b>		<b>(6,084,164)</b>	<b>(2,027,401)</b>	<b>(4,860,364)</b>	<b>471,197</b>
(Provision)/Write back of provision	4.1	4,595,149	(35,912,662)	10,678,808	2,337,586
<b>Net profit/(loss) for the period</b>		<b>(1,489,015)</b>	<b>(37,940,063)</b>	<b>5,818,444</b>	<b>2,808,783</b>
Other Comprehensive income		-	-	-	-
<b>Comprehensive income/(loss)</b>		<b>(1,489,015)</b>	<b>(37,940,063)</b>	<b>5,818,444</b>	<b>2,808,783</b>
<b>Earning per unit for the period</b>	15	<b>(0.09)</b>	<b>(2.22)</b>	<b>0.36</b>	<b>0.16</b>

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

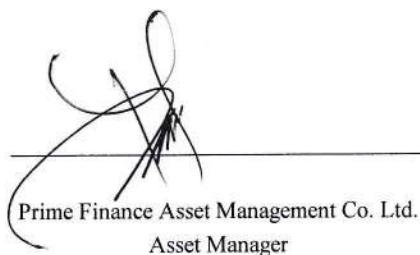


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Prime Finance Asset Management Co. Ltd.  
Asset Manager

Dhaka, 27 October 2025

**Prime Finance Second Mutual Fund**

**Statement of Changes in Equity  
for the period ended 30 September 2025**

	Capital Fund <u>Taka</u>	Transaction Reserve <u>Taka</u>	Retained earnings <u>Taka</u>	Unit Total <u>Taka</u>
<b>Balance as at 1 January 2025</b>	<b>170,838,800</b>	829,737	(45,223,708)	<b>126,444,829</b>
Surrendered by unitholders	(10,270,270)	-	-	(10,270,270)
Addition during the year	-	2,870,270	-	2,870,270
Net loss for the year	-	-	(1,489,015)	(1,489,015)
<b>Balance as at 30 September 2025</b>	<b>160,568,530</b>	<b>3,700,007</b>	<b>(46,712,723)</b>	<b>117,555,814</b>

<b>Balance as at 1 January 2024</b>	<b>180,567,910</b>	-	<b>9,715,659</b>	<b>190,283,569</b>
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)
<b>Balance as at 31 December 2024</b>	<b>170,838,800</b>	<b>829,737</b>	<b>(45,223,708)</b>	<b>126,444,829</b>

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Dhaka, 27 October 2025

## Prime Finance Second Mutual Fund

### Statement of Cash Flows for the period ended 30 September 2025

	Un-audited 1 January to 30 September 2025 <u>Taka</u>	Audited 1 January to 31 December 2024 <u>Taka</u>
<b>Cash flows from operating activities:</b>		
Capital gains/(loss) on sale of securities	(4,641,132)	(587,759)
Interest received	26,003	87,378
Dividend received	3,259,448	5,844,404
Cash paid for operating expenses	(4,592,192)	(2,720,380)
Bank charges	(22,680)	(22,820)
<i>Net cash from operating activities (A)</i>	<b><u>(5,970,553)</u></b>	<b><u>2,600,823</u></b>
<b>Cash flows from investing activities</b>		
Cash used to purchase securities	(19,586,424)	(33,227,272)
Cost of investment realised from sale of securities	27,948,533	34,222,593
<i>Net cash used in investing activities (B)</i>	<b><u>8,362,109</u></b>	<b><u>995,321</u></b>
<b>Cash flows from financing activities:</b>		
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)
<i>Net cash generated from/(used in) financing activities (C)</i>	<b><u>(7,400,000)</u></b>	<b><u>(16,426,969)</u></b>
<b>Net increase in cash and cash equivalents (D=A+B+C)</b>	<b><u>(5,008,444)</u></b>	<b><u>(12,830,825)</u></b>
<b>Opening cash and cash equivalents (E)</b>	<b><u>7,793,765</u></b>	<b><u>20,624,589</u></b>
<b>Closing cash and cash equivalents (F=D+E):</b>	<b><u>2,785,321</u></b>	<b><u>7,793,765</u></b>
<b>Net cash from operating activities per unit</b>	<b><u>(0.37)</u></b>	<b><u>0.15</u></b>

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## **Prime Finance Second Mutual Fund**

### **Notes to the Financial Statements for the period ended 30 September 2025**

#### **1.1 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.

#### **2.1 Basis of preparation**

##### **2.1.1 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 30 September 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:

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 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

	30 September 2025 <u>Taka</u>	31 December 2024 <u>Taka</u>
Investment in Securities at cost price (Annexure - 1)	194,210,207	202,572,316
Add: Unrealised loss on investment (Note 4.1)	(75,330,709)	(79,925,858)
<b>Total investment</b>	<b>118,879,498</b>	<b>122,646,458</b>

### 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	(4,595,149)	46,573,274
<b>Closing balance</b>	<b>75,330,710</b>	<b>79,925,859</b>

5. **Dividend receivable**

	30 September 2025 <u>Taka</u>	31 December 2024 <u>Taka</u>
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
MIRAKHTER	-	18,613
GHAIL	-	20,400
DOMINAGE	-	1,250
BSRMLTD	-	49,924
Heidelberg Cement	30,265	-
City Bank Ltd	332,111	-
NIALCO	-	15,144
ACI	-	23,914
Provision for doubtful dividend receivable (Note 5.1)	<u>840,423</u>	<u>2,931,067</u>
	<u>(384,354)</u>	<u>(384,354)</u>
	<u><b>456,069</b></u>	<u><b>2,546,713</b></u>

**Details of dividend receivable are in Annexure 3**

**5.1 Provision for doubtful dividend receivable**

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

ACMELAB	89,502	89,502
DESCO	83,652	83,652
PADMAOIL	211,200	211,200
	<u><b>384,354</b></u>	<u><b>384,354</b></u>

Movement of the above provision is as follows:

	30 September 2025 <u>Taka</u>	31 December 2024 <u>Taka</u>
Opening balance	384,354	384,354
Add: Addition during the period	-	-
Closing balance	<u>384,354</u>	<u>384,354</u>

#### 6. Other assets

Prepaid Trustee Expense	33,015	-
Accrued interest on STD Account	29,394	14,154
Interest on IBBLBond	217,620	217,620
Prepaid custodian fees	18,395	-
	<u>298,424</u>	<u>231,774</u>

#### 7. Cash and cash equivalents

Cash at bank (BRAC Bank Ltd., A/C No. 1505201944161001)	134,144	4,338,470
Cash at bank (BRAC Bank Ltd., A/C No. 1505201944161004)	877,333	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 ( <b>Note 7.1</b> )	<u>1,267,534</u>	<u>1,546,556</u>
	<u>2,785,321</u>	<u>7,793,765</u>

#### 7.1 Cash at BO Account

IDLC Securities Limited	1,227,788	1,506,810
Fareast Stocks and Bonds Limited	48	48
PFI Securities Limited	664	664
UCB Brokerage Limited	<u>39,034</u>	<u>39,034</u>
	<u>1,267,534</u>	<u>1,546,556</u>

#### 8. Capital fund

	No. of Unit	Face value Per Unit <u>Taka</u>	30 September	31 December
			2025 <u>Taka</u>	2024 <u>Taka</u>
Subscribed by Resident Bangladeshis	14,056,853	10	140,568,530	150,838,800
Subscribed by Sponsor	<u>2,000,000</u>	<u>10</u>	<u>20,000,000</u>	<u>20,000,000</u>
	<u>16,056,853</u>		<u>160,568,530</u>	<u>170,838,800</u>

#### 9. Retained earnings

Opening balance	(45,223,708)	9,715,659
Dividend paid during the year for the last year	-	(9,028,396)
	<u>(45,223,708)</u>	<u>687,263</u>
Net profit/(loss) for the year	(1,489,015)	(45,910,971)
<b>Closing balance</b>	<b>(46,712,723)</b>	<b>(45,223,708)</b>



**10. Accounts payable**

	<b>30 September 2025</b>	<b>31 December 2024</b>
	<b>Taka</b>	<b>Taka</b>
Payable management fees	361,098	1,643,094
Payable custodian fees	-	15,221
Audit fees payable	-	40,000
	<b><u>361,098</u></b>	<b><u>1,698,315</u></b>

**11. Other liabilities**

Tax deducted at source	-	552,016
VAT deducted at source	-	21,150
	<b><u>-</u></b>	<b><u>573,166</u></b>

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

**at cost**

Value of net asset at cost	192,886,523	206,370,687
Number of units	<u>16,056,853</u>	<u>17,083,880</u>
Net Asset Value per unit	<b><u>12.01</u></b>	<b><u>12.08</u></b>

**at market value**

Value of net asset at market price	117,555,814	126,444,829
Number of units	<u>16,056,853</u>	<u>17,083,880</u>
Net Asset Value per unit	<b><u>7.32</u></b>	<b><u>7.40</u></b>

**13. Interest income**

<b>30 September 2025</b>	<b>30 September 2024</b>
<b>Taka</b>	<b>Taka</b>
<u>41,243</u>	<u>95,625</u>
<b><u>41,243</u></b>	<b><u>95,625</u></b>

**13.1 Interest on STD Account**

<b><u>Name of the Bank</u></b>	<b><u>Account No.</u></b>	<b><u>2025</u></b>	<b><u>2024</u></b>
BRAC BANK PLC.	1505201944161001	26,853	45,908
BRAC BANK PLC.	1505201944161003	4,978	5,007
BRAC BANK PLC.	1505201944161004	9,412	44,711
		<b><u>41,243</u></b>	<b><u>95,626</u></b>

**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%

**Calculation of management fees:**

<u>Slab</u>	<u>Weekly Average NAV</u>	<u>Management Fees</u>
	<u>Taka</u>	<u>Taka</u>
On first	50,000,000	2.50%
On next	74,299,106	2.00%
<b>Total</b>	<b><u>124,299,106</u></b>	<b><u>2,046,365</u></b>

Detail calculation of management fees are in **Annexure - 6**

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

	<u>30 September 2025</u>	<u>30 September 2024</u>
	<u>Taka</u>	<u>Taka</u>
Net profit for the period	(1,489,015)	(37,940,063)
Number of units	16,056,853	17,056,853
<b>Earning per unit</b>	<b>(0.09)</b>	<b>(2.22)</b>