

NLI FIRST MUTUAL FUND

Audited Financial Statements

As at and for the year ended 30 June 2020

Hoda Vasi Chowdhury & Co

Chartered Accountants

Independent Auditor's Report to the Board of Trustees of NLI First Mutual Fund Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NLI First Mutual Fund (the "Fund"), which comprise the statement of financial position as at 30 June 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statement, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of, the financial position of the Fund as at 30 June 2020 and its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards (IFRS) as explained in note 2.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Description of key audit matter | Our response |
|---|---|
| <p>Valuation of investment</p> <p>The Fund has invested substantial portion of its total net assets in capital market instruments (i.e. equity shares).</p> <p>As per IFRS 9 Financial Instruments, such equity investment is considered as financial asset and require to be measured at fair value. Subsequently such investments shall be classified either as 'fair value through other comprehensive income' or 'fair through profit or loss' on the basis of the entity's business</p> | <p>The Fund determines fair value of its investment in listed equity shares as per the closing market price of Dhaka Stock Exchange on the date of valuation and the resultant net unrealized gain / (loss) is calculated on portfolio basis.</p> <p>It is to be noted that, as per BSEC regulation for Mutual Fund and relevant Trust deed, the Fund is obliged to distribute a minimum portion of its net profit to Unit holders as dividend and hence distribution of any profit from unrealized gain may create cash flow issue for the Fund.</p> |

| | |
|---|---|
| <p>model for managing these financial assets and contractual cash flow characteristics.</p> <p>IFRS 9 further allow an entity to make an irrevocable election to present in other comprehensive income subsequent changes in fair value of an investment in equity instrument that is not held for trading with no subsequent recycle through profit or loss.</p> <p>On the other hand, as per the prescribed format of Revenue Account (Profit or Loss Account) provided in the Securities and Exchange Commission (Mutual Fund) Rules 2001 any unrealized losses due to the changes in fair value of equity investments and its cost price shall be charged to Revenue Account under 'Expenses and loss'. However, if there is any unrealized gain it shall be disclosed as a note.</p> <p>Because of the inherent nature of such investment and specific specified requirement to treat unrealized gain on investments in Mutual Fund Rules we have considered valuation of investment and subsequent measurement basis as key audit matter.</p> | <p>Accordingly, consistent with the industry practice and applying prudence, the Fund adopted the policy specified in the Mutual Fund Rules instead of following IFRS 9, and if there is net unrealized loss on investments calculated on portfolio basis, such loss is charged to profit or loss, but in case of any unrealized net gain on portfolio basis, such gain is taken directly to reserve through other comprehensive income (under equity component) instead of profit or loss.</p> <p>Upon selling of any such equity shares the Fund takes the realized gain/loss of that individual share to profit or loss.</p> <p>As stated in Note 3 to the financial statements because of this accounting policy an aggregate amount of Tk. 64,266,542 is charged in profit or loss after deducting the aggregate amount of Tk. 95,521,928 from the unrealised gain shown in statement of changes in equity (other comprehensive income) component.</p> |
| <p>Please see note 3 for details.</p> | |

Reporting on other information

The Asset Manager of the Fund is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Trustee.

Responsibilities of Asset manager and the board of trustee for the Financial Statements and Internal Controls

The Asset Manager is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as stated in note 2, the Companies Act 1994 and other applicable laws and regulations and for such internal control as asset manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, asset manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless asset manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The board of trustee are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statement are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by asset manager.
- Conclude on the appropriateness of asset manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are

required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with the board of trustee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 Fund so far as it appeared from our examination of those books;
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- d) the expenditure incurred was for the purposes of the Fund's business.

The engagement partner on the audit resulting in this independent auditor's report is Sabbir Ahmed, FCA.

Dhaka, 10 August 2020

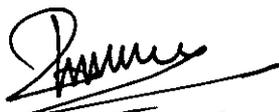
Hoda Vasi
Hoda Vasi Chowdhury & Co
Chartered Accountants

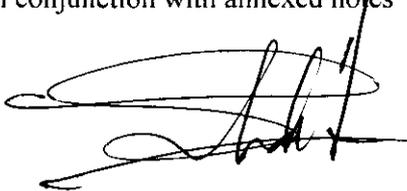


**NLI FIRST MUTUAL FUND
Statement of Financial Position
As on 30 June 2020**

| Particulars | Notes | 30 June 2020 | 30 June 2019 |
|--|-------|--------------------|--------------------|
| | | Taka | Taka |
| Assets | | | |
| Investments - at market price | 3 | 494,598,660 | 647,362,587 |
| Accounts receivables | 4 | 4,783,482 | 2,596,102 |
| Advances, deposits and prepayments | 5 | 1,646,637 | 1,730,618 |
| Cash and cash equivalents | 6 | 31,400,014 | 29,343,353 |
| Preliminary and issue expenses | 7 | 1,244,492 | 2,066,665 |
| Fixed income instruments (FDR) | 8 | 40,000,000 | 90,000,000 |
| Total assets | | 573,673,285 | 773,099,324 |
| Equity and liabilities | | | |
| Shareholders' equity | | | |
| Unit capital | 9 | 503,338,000 | 503,338,000 |
| Unit premium | | 10,798,888 | 10,798,888 |
| Unrealized gain | | - | 95,521,928 |
| Retained earnings | | 50,562,097 | 154,447,823 |
| Total | | 564,698,985 | 764,106,639 |
| Current liabilities | | | |
| Accounts payable | 10 | 8,974,300 | 8,992,685 |
| Total | | 8,974,300 | 8,992,685 |
| Total equity and liabilities | | 573,673,285 | 773,099,324 |
| Net asset value (NAV) | | 564,698,985 | 764,106,639 |
| Net asset value (NAV) per unit: | | | |
| At cost | 11 | 12.50 | 13.28 |
| At market price | 12 | 11.22 | 15.18 |

These financial statements should be read in conjunction with annexed notes

Trustee 
Investment corporation of Bangladesh


Assets Manager
VIPB Asset Management Co. Ltd.



See the auditor's report of even date

Dhaka, 10 August 2020

Hoda Vasi 
Chartered Accountants



**NLI FIRST MUTUAL FUND
Statement of Profit or Loss and Other Comprehensive Income
For the year ended on 30 June 2020**

| Particulars | Notes | 2019-2020 | 2018-2019 |
|--|-------|---------------------|-------------------|
| | | Taka | Taka |
| Income | | | |
| Interest income | 13 | 6,882,681 | 6,474,760 |
| Net gain on sale of marketable securities | 14 | 9,448,160 | 30,926,419 |
| Dividend income | 15 | 23,936,376 | 30,236,912 |
| Total | | 40,267,217 | 67,638,092 |
| Expenses | | | |
| Management fees | | 10,395,707 | 11,460,733 |
| BSEC annual fees | | 503,338 | 503,338 |
| Amortization of preliminary and issue expenses | | 822,173 | 819,927 |
| CDBL settlement and demat charges | | 31,551 | 36,478 |
| CDBL annual fees | | 106,000 | 106,000 |
| Annual listing fees | | 503,338 | 503,338 |
| Trustee fees | | 723,552 | 791,320 |
| Custodian fees | | 547,902 | 647,477 |
| IPO application fees | | 6,000 | 40,000 |
| Brokerage commission | | 536,117 | 539,194 |
| Audit fees | | 40,000 | 40,000 |
| Bank charges and excise duties | | 139,797 | 114,943 |
| Newspaper publication expenses | | 21,500 | 46,250 |
| Other operating expenses | | 75,488 | 78,682 |
| Total expenses | | 14,452,463 | 15,727,679 |
| Net profit before provision | | 25,814,755 | 51,910,413 |
| Provision for unrealised loss | | 64,266,542 | - |
| Net profit for the year | | (38,451,787) | 51,910,413 |
| Earnings per unit | | (0.76) | 1.03 |

These financial statements should be read in conjunction with annexed notes

Trustee
Investment corporation of Bangladesh

M. Khan

Assets Manager
VIPB Asset Management Co. Ltd.

See the auditor's report of even date

Dhaka, 10 August 2020

Hoda Vasi
Chartered Accountants



**NLI FIRST MUTUAL FUND
Statement of Changes In Equity
For the year ended 30 June 2020**

Figure in Taka

| Particulars | Share capital | Unit premium | Unrealized gain/(loss) | Retained earnings | Total equity |
|--------------------------------------|--------------------|-------------------|------------------------|-------------------|--------------------|
| Balance as at 01 July 2019 | 503,338,000 | 10,798,888 | 95,521,928 | 154,447,823 | 764,106,639 |
| Cash dividend for the year 2018-2019 | - | - | - | (65,433,940) | (65,433,940) |
| Net profit during the year | - | - | - | (38,451,787) | (38,451,787) |
| Unrealized gain / (loss) | - | - | (95,521,928) | - | (95,521,928) |
| Balance at 30 June 2020 | 503,338,000 | 10,798,888 | - | 50,562,096 | 564,698,984 |

| Particulars | Share capital | Unit premium | Unrealized gain/(loss) | Retained earnings | Total equity |
|--------------------------------------|--------------------|-------------------|------------------------|--------------------|--------------------|
| Balance as at 01 July 2018 | 503,338,000 | 10,798,888 | 130,051,638 | 173,004,731 | 817,193,257 |
| Cash dividend for the year 2017-2018 | - | - | - | (70,467,320) | (70,467,320) |
| Net profit during the year | - | - | - | 51,910,413 | 51,910,413 |
| Unrealized gain / (loss) | - | - | (34,529,710) | - | (34,529,710) |
| Balance at 30 June 2019 | 503,338,000 | 10,798,888 | 95,521,928 | 154,447,823 | 764,106,639 |

These financial statements should be read in conjunction with annexed notes

Trustee
Investment corporation of Bangladesh

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Assets Manager
VIPB Asset Management Co. Ltd.

**NLI FIRST MUTUAL FUND
Statement of Cash Flows
for the year ended 30 June 2020**

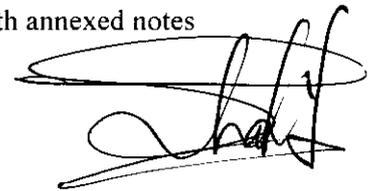
| Particular | 2019-2020 | 2018-2019 |
|---|---------------------|---------------------|
| | Taka | Taka |
| Cash flows from operating activities | | |
| Interest income | 1,776,791 | 2,164,869 |
| Gain on sale of investments | 17,604,652 | 39,781,655 |
| Dividend income | 22,553,980 | 33,178,595 |
| Advance, deposit and prepayments | (1,403,618) | (2,543,472) |
| Management fee | (11,235,516) | (11,913,923) |
| Trustee fee | (639,571) | (746,073) |
| Other operating expenses | (937,469) | (778,887) |
| Net cash from operating activities | 27,719,249 | 59,142,765 |
| Cash flows from investing activities | | |
| Net investment in shares and securities | (16,687,034) | 12,519,451 |
| Net investment in FDR | 55,726,313 | 14,270,467 |
| Net cash from investing activities | 39,039,279 | 26,789,918 |
| Cash flows from financing activities | | |
| Dividend payment | (64,701,867) | (70,317,768) |
| Net cash from financing activities | (64,701,867) | (70,317,768) |
| Net cash flows | 2,056,661 | 15,614,915 |
| Cash and cash equivalents at the beginning of the period | 29,343,353 | 13,728,438 |
| Cash and cash equivalents at the end of the period | 31,400,014 | 29,343,353 |
| Net operating cash flows per unit | 0.55 | 1.18 |

These financial statements should be read in conjunction with annexed notes

Trustee
Investment corporation of Bangladesh

M. Hossain

Assets Manager
VIPB Asset Management Co. Ltd.



**NLI First Mutual Fund
Notes to the Financial Statements
As at and for the year ended 30 June 2020**

1.00 Legal status and nature of the Fund

1.01 About the Fund

“NLI First Mutual Fund”(the Fund”) was established as a Trust under the Trust Act 1882 and registered with Sub-Registrars Office under the Registration Act 1908 on 20 September 2010. The Fund received Registration Certificate from the Bangladesh Securities and Exchange Commission (BSEC) on 3 October 2010 under the Securities and Exchange Commission (Mutual Fund) Rules, 2001. The BSEC approved the Fund and provided consent on 20 October 2011. The unit size of the Fund is TK 503,338,000 divided into 50,333,800 units of Tk 10 each. Subsequently, the unit capital of the Fund now stands at Tk. 503,338,000.

National Life Insurance Company Limited (NLI) is the sole Sponsor of the Fund. Investment Corporation of Bangladesh (ICB) is the Trustee and the Custodian of the Fund. VIPB Asset Management Company Limited (VIPB AMCL) is managing the operations of the Fund as the Asset Management Company.

1.02 Objectives of the Fund

The primary objective of the Fund is to achieve capital appreciation as well as earn dividend and interest income through investment in the capital market of Bangladesh. It mostly shall focus on generating cash earning and at the same time preservation of capital. The Fund shall strive to accumulate reserves over its life in order to reinvest and be able to distribute a lump sum at redemption.

2.00 Summary of significant accounting policies and basis of preparation of the financial statements

2.01 Basis of preparation

These financial statements are prepared on the accrual basis accounting, under historical cost convention as modified for investments, which are 'market-to-market' and in conformity with International Financial Reporting Standards (IFRS) and also in compliance with requirements of Bangladesh Securities and Exchange Commission (Mutual Fund) Rules 2001 and other laws and regulations applicable in Bangladesh. In case there are differences between IFRS and local statutory requirements such as Mutual Fund Rules, the local regulation has been prevailed. However, such differences in current reporting period are mainly related to disclosure matters.

2.02 Statements of cash flows

IAS-1, Presentation of financial statements requires that a cash flow statement be prepared as it provides information about cash flows of the enterprise which is useful in providing users of financial statements with basis to assess the ability of the enterprise to generate cash and cash equivalents and needs of the enterprise to utilize those cash flows. statement of cash flows has been prepared under the direct method for the period, classified by operating, investing and financing activities as prescribed in paragraph 10 and 18(a) of IAS 7: Statements of Cash Flows. In accordance with Mutual Fund Rules 2001, proceeds from investments has been shown under investing activities. However, the amount of resultant gain on sale of investments has been shown in operating activities.

2.03 Functional and presentation currency

These financial statements are presented in Bangladesh Taka (Taka/Tk), which is the Fund's functional currency. All amounts are presented in Taka and have been rounded off to the nearest Taka.

2.04 Statement of changes in equity

The statement of Changes in Equity reflects information about the increase or decrease in net assets or wealth of the Fund.

2.05 Reporting period

This Financial Statement is presented for the period from 01 July 2019 to 30 June 2020.

2.06 Preliminary and issue expenses

As per Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001 Preliminary and issue expenses are being written off over a period of 10(Ten) years.

2.07 Valuation of investment

The listed securities are valued at the closing quoted market price only on the Dhaka Stock Exchange on the date of valuation i.e. on 30 June 2020. Resultant unrealized gain/ (loss) is calculated on portfolio basis. If there are any unrealized losses on portfolio basis such loss is provided for through charging to income statements. However, if there is unrealized gain on portfolio basis such gain is taken direct to reserve under equity instead of income statement.

2.08 Components of Financial Statements

1. Statement of Financial Position
2. Statement of Profit or Loss and Other Comprehensive Income
3. Statement of Changes in Equity
4. Statement of Cash Flows
5. Accounting policies and explanatory notes to the financial statements for the year ended 30 June 2020

2.09 Investment policy

i). The Fund shall invest subject to the Securities and Exchanges Commission (Mutual Fund) Rules 2001 and only in those securities, deposits and investments approved by the Bangladesh Securities and Exchange Commission and/or any other competent authority in this regard.

ii). Not less than 60 (sixty) percent of the total money collected under the Scheme of the Fund shall be invested in capital market instruments out of which at least 50 (fifty) percent shall be invested in listed securities.

iii). Not more than 25 (twenty-five) percent of the total assets of the Scheme of the Fund shall be invested in Fixed Income Securities (FIS).

iv). Not more than 15 (fifteen) percent of the total assets of the Scheme of the Fund shall be invested in pre-IPOs at one time.

v). 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.

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

vii). 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.

2.10 Dividend policy

a) As per clause 8.7.1 of the Trust Deed of the Fund, the fund shall declare and pay dividend from the distributable profit.

b) As per clause 8.7.3 of the Trust Deed of the Fund, The amount of dividend to be declared for the year shall not be less than 70% of the total net profit earned in the respective year.

c) Before deriving the annual income and declaring dividend, the Fund shall provide for depreciation on investments, appropriate provision for investment, and also make a provision for bad and doubtful investments to the satisfaction of the Auditors and shall create a Dividend Equalization Reserve and a provisional Fixed-income Securities Investment Reserve by appropriation from the income of the Fund.

d) No dividend may be declared or paid other than from earnings of the Fund available for distribution.

e) Surplus arising simply from the valuation of investments may not be available for dividend.

2.11 Trustee fees

The Trustee is entitled to an annual Trusteeship fee of @ 0.15% of the Net Asset Value (NAV) of the Fund only payable semi-annually during the life of the Fund.

2.12 Management fees

As per Securities and Exchange Commission (Mutual Fund) Regulation 2001. The Asset Management Company shall be entitled to charge the Fund an annual management fee for Investment Management at the following rate:

- i) @2.5% per annum of weekly average Net Asset Value (NAV) of the Fund up-to Tk. 50,000,000 (Taka five crore);
- ii) @2% per annum for additional amount of the weekly average NAV of the Fund over Tk.50,000,000 (Taka five crore) but up to Tk. 250,000,000 (Taka twenty five crore);
- iii) @1.5% per annum for additional amount of the weekly average NAV of the Fund over Tk. 250,000,000 (Taka twenty five crore) but up to Tk. 500,000,000 (Taka fifty crore);
- iv) @1% per annum for additional amount of the weekly average NAV of the Fund over Tk. 500,000,000 (Taka fifty crore).

The management fee is calculated on every closing day of the week on the previous week's NAV of the Fund and accumulated up to the date of the financial statements.

2.13 Custodian fees

The Custodian is entitled to receive a custodian fee @ 0.10% of balance securities calculated on the average month end value per annum.

2.14 Registration and other Charges/Annual fee to BSEC

The Fund is required to pay annual fee each year @ 0.10% of the fund size to the Bangladesh Securities and Exchange Commission (BSEC) as per the Bangladesh Securities and Exchange Commission (Mutual Fund) Rules 2001.

2.15 Revenue recognition

- a) Gains/ Losses arising on sale of investment are included in the Statement of Profit or Loss and Other Comprehensive Income on the date at which the transaction takes place.
- b) Cash Dividend is recognized on accrual basis. Dividends are recognized immediately after the record date as per industry practice, though as per IFRS-9 (Financial Instrument) dividends should be recognized when shareholders' right to receive dividend is established.
- c) Interest income is recognized on accrual basis.

2.16 CDBL (Central Depository Bangladesh Limited) fee

The CDBL is entitled to receive an amount of Tk. 300,000/- as security deposit during the whole life of the Fund. Annual fee for the Fund payable in advance, based on face value of total fund size is payable as follow:

| | |
|-------------------------------------|--------------|
| -Up to Tk. 5 crore | Tk 25,000/- |
| -Above Tk 5 crore up to Tk 20 crore | Tk 50,000/- |
| -Above Tk 20 crore | Tk 100,000/- |

2.17 Taxation

The income of the Fund is exempted from income tax under the SRO No. 333-Ain / IT / 2011 dated November 10, 2011; under section 44(4) clause(b) of income tax ordinance, 1984: hence no provision for tax has been made during the year in the books of the Statement of Profit or Loss and Other Comprehensive Income

2.18 Net Asset Value (NAV) per unit

The mutual fund calculates Net Asset Value per share using the cost and market value, which has been shown on the face of Statement of Financial Position, and the computation of NAV per unit is stated in Note 11 and 12.

2.19 Earning per unit

The mutual fund calculates Earning Per unit (EPU) in accordance with IAS 33. Earning Per Share, which has been shown on the face of statement of Profit or Loss and Other Comprehensive Income.

2.20 COVID 19 Impact

During the year on 11 March 2020, World Health Organization (WHO) declared a global pandemic due to Corona Virus related respiratory disease commonly called as COVID-19. To contain the spread of this disease, along with many other countries of the world, Government of Bangladesh has also taken a number of measures such, as declaration of general holiday, enforcement of lock down, social distancing etc. As a result of these measures all business and economic activities are adversely affected which also impacted the Fund. In particular, both Dhaka and Chittagong Stock Exchanges were closed during the period from 26 March to 30 May 2020 and a floor price mechanism has been in place to reduce volatility in the market. Because of these issues the performance of the Fund has been severely impacted which is reflected in the negative net earnings for the year.

2.21 Subsequent event

The Board of Trustee has declared 5% cash dividend for the year ended on 30 June 2020 in its Board of Trustee meeting dated 10 August 2020.

3.00. Investment-at market value

Figure in Taka

| Name of the securities | Number of share / unit | Average unit cost | Acquisition cost | Market rate | Market value | % of NAV | Unrealised Gain / Loss |
|---|------------------------|-------------------|--------------------|-------------|--------------------|---------------|------------------------|
| BRAC Bank Limited | 1,556,988 | 39.12 | 60,915,787 | 31.90 | 49,667,920 | 8.80% | (11,247,867) |
| The City Bank Limited | 1,057,210 | 33.76 | 35,696,447 | 16.70 | 17,655,407 | 3.13% | (18,041,040) |
| Eastern Bank Limited | 226,092 | 36.55 | 8,263,930 | 30.90 | 6,986,243 | 1.24% | (1,277,687) |
| Square Pharmaceuticals Limited | 306,525 | 188.11 | 57,660,807 | 172.50 | 52,875,563 | 9.36% | (4,785,245) |
| Renata Limited | 42,291 | 790.68 | 33,438,717 | 1,026.20 | 43,399,024 | 7.69% | 9,960,307 |
| Linde Bangladesh Limited | 19,398 | 1,342.24 | 26,036,754 | 1,292.00 | 25,062,216 | 4.44% | (974,538) |
| British American Tobacco BD. Limited | 31,780 | 984.71 | 31,293,975 | 907.60 | 28,843,528 | 5.11% | (2,450,447) |
| BATA Shoe Limited | 48,451 | 1,216.99 | 58,964,334 | 693.20 | 33,586,233 | 5.95% | (25,378,100) |
| Gramscen Phone Limited | 188,923 | 304.99 | 57,619,808 | 238.80 | 45,114,812 | 7.99% | (12,504,995) |
| Ashuganj Power Station Co | 307 | 5,001.44 | 1,535,442 | 5,051.00 | 1,550,657 | 0.27% | 15,216 |
| Singer Bangladesh Limited | 119,546 | 177.64 | 21,235,851 | 147.00 | 17,573,262 | 3.11% | (3,662,589) |
| Green Delta Mutual Fund | 7,784,297 | 5.97 | 46,496,947 | 6.50 | 50,597,931 | 8.96% | 4,100,984 |
| MBL Ist Mutual Fund | 2,098,965 | 6.26 | 13,145,909 | 6.50 | 13,643,273 | 2.42% | 497,364 |
| DBH ISF Mutual Fund | 6,780,934 | 6.04 | 40,952,286 | 6.90 | 46,788,445 | 8.29% | 5,836,159 |
| IDLC Finance Limited | 2,884 | 42.00 | 121,128 | 41.90 | 120,840 | 0.02% | (288) |
| Heidelberg Cement Limited | 7,352 | 238.01 | 1,749,817 | 137.30 | 1,009,430 | 0.18% | (740,387) |
| Marico Bangladesh Limited | 16,680 | 1,567.26 | 26,141,882 | 1,562.50 | 26,062,500 | 4.62% | (79,382) |
| Beximco Pharmaceuticals Ltd. | 315,560 | 76.77 | 24,226,245 | 69.20 | 21,836,752 | 3.87% | (2,389,493) |
| The ACME Laboratories Limited | 44,680 | 71.91 | 3,212,862 | 63.40 | 2,832,712 | 0.50% | (380,150) |
| Berger Paints Bangladesh Ltd. | 2,222 | 1,330.37 | 2,956,083 | 1,308.60 | 2,907,709 | 0.51% | (48,374) |
| Olympic Industries Ltd | 25,116 | 161.15 | 4,047,490 | 150.20 | 3,772,423 | 0.67% | (275,067) |
| Coppertech Industries Ltd (IPO Shares) | 5,953 | 9.52 | 56,696 | 20.70 | 123,227 | 0.02% | 66,531 |
| Ring Shine Textile Ltd (IPO Shares) | 238,755 | 8.70 | 2,076,132 | 6.40 | 1,528,032 | 0.27% | (548,100) |
| Sea Pearl Beach Resort & spa Limited (IPO Shares) | 5,515 | 9.52 | 52,526 | 79.10 | 436,237 | 0.08% | 383,710 |
| Runner Automobile Limited (IPO Shares) | 13,542 | 71.43 | 967,350 | 46.10 | 624,286 | 0.11% | (343,064) |
| Total | | | 558,865,202 | | 494,598,660 | 87.59% | (64,266,542) |

Note: The Fund has invested 87.59% of the total net assets of the fund in the capital market instruments, the rest is held as bank deposits.

Hoda Vasi Chowdhury & Co

| | 30 June 2020 | 30 June 2019 |
|--|--------------------|-------------------|
| | Taka | Taka |
| 4.00 Accounts receivables | | |
| Interest receivable from FDR | 316,667 | 1,011,090 |
| Sub-Total | 316,667 | 1,011,090 |
| | | |
| Collateral for bidding Southeast Bank Ltd. | 1,500,000 1,721 | - 1,721 |
| Sub-Total | 1,501,721 | 1,721 |
| | | |
| Dividend receivable | | |
| BRAC Bank Limited | 1,086,271 | 25,000 |
| Eastern Bank Limited | 565,230 | 525,599 |
| IDLC Finance Ltd | 10,094 | - |
| Linde Bangladesh Limited | 969,900 | - |
| Marico Bangladesh Limited | 333,600 | 1,032,692 |
| Sub-Total | 2,965,095 | 1,583,290 |
| Total | 4,783,482 | 2,596,102 |
| | | |
| 5.00 Advances, deposits and prepayments | | |
| Advance as security deposit | | |
| Deposit with Central Depository Bangladesh Ltd. (CDBL) | 400,000 | 400,000 |
| Sub-Total | 400,000 | 400,000 |
| | | |
| Prepayments | | |
| BSEC annual fees | 503,338 | 503,338 |
| Annual listing fees | 377,848 | 377,848 |
| CDBL annual fees | 70,279 | 70,279 |
| Trustee fees | 295,172 | 379,153 |
| Sub-Total | 1,246,637 | 1,330,618 |
| Total | 1,646,637 | 1,730,618 |
| | | |
| 6.00 Cash and cash equivalents | | |
| Cash at banks | | |
| NCC Bank, Gulshan Branch | 3,414 | 4,728 |
| Southeast Bank, Donia Branch | 27,639,746 | 23,830,428 |
| Southeast Bank Ltd, Corporate Br. | 3,630,990 | 2,868,441 |
| Sub-Total | 31,274,151 | 26,703,598 |
| | | |
| Cash in brokerage accounts | 125,863 | 2,639,755 |
| Sub-Total | 125,863 | 2,639,755 |
| Total | 31,400,014 | 29,343,353 |

Hoda Vasi Chowdhury & Co

| | 30 June 2020 | 30 June 2019 |
|--|--------------------|--------------------|
| | Taka | Taka |
| 7.00 Preliminary and issue expenses | | |
| Preliminary and issue expenses | 2,066,665 | 2,886,592 |
| Less: Written off during the period | 822,173 | 819,927 |
| Total | 1,244,492 | 2,066,665 |
| Note: As per the clause 1 of section 5.5 of the prospectus, Preliminary and Issue expenses are being written off over a period of 10 (ten) years. | | |
| 8.00 Fixed income instruments (FDR) | | |
| Southeast Bank Limited | 40,000,000 | 90,000,000 |
| Total | 40,000,000 | 90,000,000 |
| 9.00 Capital fund | | |
| 50,333,800 units @ Tk 10 each | 503,338,000 | 503,338,000 |
| Total | 503,338,000 | 503,338,000 |
| 10.00 Accounts payable | | |
| Management fees | 4,951,716 | 5,791,525 |
| Custodian fees | 35,778 | 35,778 |
| Audit fees | 40,000 | 40,000 |
| Others payable | 374,073 | 288,721 |
| Unclaimed dividend (2018-19) | 744,873 | - |
| Unclaimed dividend (2017-18) | 147,052 | 154,052 |
| Unclaimed dividend (2016-17) | 206,553 | 206,553 |
| Unclaimed dividend (2015-16) | 1,181,162 | 1,181,162 |
| Unclaimed dividend (2014-15) | 1,084,444 | 1,084,444 |
| Unclaimed dividend (2013-14) | 208,650 | 210,450 |
| Total | 8,974,300 | 8,992,685 |
| 11.00 Net Asset Value (NAV) per unit at cost | | |
| Net Asset Value (NAV) | 564,698,985 | 764,106,639 |
| Increase/Decrease in market value than cost balance of investment | 64,266,542 | (95,521,928) |
| Balance of investment as on 30 June 2020 | 628,965,526 | 668,584,711 |
| No of unit | 50,333,800 | 50,333,800 |
| NAV per unit at cost | 12.50 | 13.28 |
| 12.00 Net Asset Value (NAV) per unit at market price | | |
| Net Asset Value (NAV) | 564,698,985 | 764,106,639 |
| No of unit | 50,333,800 | 50,333,800 |
| NAV per unit at market price | 11.22 | 15.18 |

Hoda Vasi Chowdhury & Co

| | 2019-2020 | 2018-2019 |
|---|-------------------|-------------------|
| | Taka | Taka |
| 13.00 Interest income | | |
| Short Term Investment (FDR) | 5,105,890 | 4,309,891 |
| Short Notice Deposit (SND) | 1,776,791 | 2,164,869 |
| Total | 6,882,681 | 6,474,760 |
| 14.00 Net gain / loss on sale of marketable securities | | |
| Gain on sale of marketable securities | | |
| ADN Telecom Limited | 575,897 | - |
| Advent Pharma Limited | - | 422,974 |
| BATA Shoe Limited | - | 171,940 |
| Berger Paints Bangladesh Ltd. | - | 1,000,502 |
| BRAC Bank Limited | 1,150,884 | 2,896,978 |
| British American Tobacco Bangladesh Company Ltd | - | 20,219,535 |
| Coppertech Industries Ltd | 465,106 | - |
| DBH 1ST Mutual Fund | - | 629,798 |
| Genex Infosys Limited | 331,564 | 699,168 |
| Grameen Mutual Fund Scheme Two | - | 573,059 |
| Grameen Phone Limited | 369,675 | 3,810,329 |
| Green Delta Mutual Fund | 3,686,663 | - |
| IDLC Finance Limited | 48,000 | - |
| Indo-Bangla Pharmaceuticals Limited | - | 820,453 |
| Intraco Refueling Station Limited | - | 562,961 |
| Kattali Textile Limited | - | 688,469 |
| LR Global BD Mutual Fund One | 113,791 | - |
| MBL 1st Mutual Fund | 866,848 | - |
| ML Dyeing Limited | - | 747,703 |
| NCCBL Mutual Fund One | 3,919,298 | - |
| New Line Clothings Limited | 135,480 | 182,915 |
| Queen South Textile Mills Limited | - | 262,803 |
| RENATA Limitd | 3,453,676 | - |
| Ring Shine Textile Ltd | 1,240,183 | - |
| Runner Automobiles Limited | - | 310,645 |
| Sea Pearl Beach Resort & spa Limited | 406,919 | - |
| Silco Pharmaceuticals Limited | 327,269 | 303,197 |
| Silva Pharmaceuticals Limited | - | 868,571 |
| Singer Bangladesh Limited | - | 107,824 |
| SK Trims & Industries Ltd. | - | 1,510,633 |
| Square Pharmaceuticals Limited | 150,789 | 995,368 |
| SS Steel Limited | 132,045 | 866,746 |
| Summit Power Limited | 230,565 | - |
| VFS Thread Dyeing Ltd. | - | 1,199,587 |
| Total | 17,604,652 | 39,852,155 |
| Loss on sale of marketable securities | | |
| BATA Shoe Limited | 4,551,816 | 3,174,570 |
| City Bank Limited | 398,270 | 5,751,166 |
| Grameen Phone Limited | 620,776 | - |
| Heidelberg Cement Limited | 306,771 | - |
| LR Global BD Mutual Fund One | 2,145,478 | - |
| Ring Shine Textile Ltd | 64,153 | - |
| Square Pharmaceuticals Limited | 69,229 | - |
| Total | 8,156,492 | 8,925,736 |
| Net gain on sale of marketable securities | 9,448,160 | 30,926,419 |

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| | 2019-2020 | 2018-2019 |
|---|-------------------|-------------------|
| | Taka | Taka |
| 15.00 Dividend income | | |
| BATA Shoe Limited | 605,638 | 2,052,791 |
| Beximco Pharmaceuticals Ltd | 308,340 | - |
| BRAC Bank Limited | 1,086,303 | 34 |
| British American Tobacco Bangladesh Company Ltd | 1,271,200 | 453,100 |
| City Bank Limited | 18 | 1,032,692 |
| Coppertech Industries Limited | 8,339 | - |
| DBH First Mutual Fund | 5,424,747 | 6,055,786 |
| Eastern Bank Limited | 565,230 | 411,078 |
| Grameen Phone Limited | 2,573,339 | 5,378,224 |
| Green Delta Mutual Fund | 6,947,438 | 7,723,354 |
| IDLC Finance Ltd | 10,094 | - |
| Indo-Bangla Pharmaceuticals Limited | - | 14 |
| Intraco Refueling Station Limited | - | 6,605 |
| Kattali Textile Limited | - | 20 |
| Linde Bangladesh Limited | 969,900 | 652,425 |
| LR Global BD Mutual Fund One | - | 1,109,496 |
| Marico Bangladesh Limited | 1,059,000 | 25,000 |
| MBL 1ST Mutual Fund | - | 2,079,172 |
| ML Dyeing Limited | - | 8 |
| NCCBL Mutual Fund One | - | 1,941,155 |
| New Line Clothings Limited | 5,855 | - |
| RENATA Limited | 365,231 | 367,738 |
| Runner Automobiles Limited | 12,952 | - |
| Sea Pearl Beach Resort & spa Limited | 22 | - |
| Silco Pharmaceuticals Limited | 3,820 | - |
| Singer Bangladesh Limited | 728,004 | - |
| SK Trims & Industries Ltd. | - | 2,450 |
| Square Pharmaceuticals Limited | 1,134,526 | 935,877 |
| Summit Power Limited | 700,000 | - |
| The ACME Laboratories Limited | 156,380 | - |
| VFS Thread Dyeing Ltd. | - | 9,895 |
| Total | 23,936,376 | 30,236,912 |