


Prime Finance Second Mutual Fund

Statement of Financial Position (Balance Sheet) as at 31 March 2024

		Un-audited 31 March 2024 <u>Taka</u>	Audited 31 December 2023 <u>Taka</u>
ASSETS			
Non-current Assets			
Preliminary expenses	4	-	468,749
Current Assets			
Investment in securities at market price	5	138,383,688	170,215,053
Dividend receivable	6	323,698	3,078,635
Other assets	7	156,334	-
Cash and cash equivalents	8	9,258,466	20,624,589
		<u>148,122,186</u>	<u>193,918,277</u>
Total assets		<u>148,122,186</u>	<u>194,387,026</u>
Current Liabilities			
Accounts payable	9	312,941	1,073,761
Other liabilities	10	5,062,473	3,029,696
Total liabilities		<u>5,375,414</u>	<u>4,103,457</u>
Net assets		<u>142,746,772</u>	<u>190,283,569</u>
EQUITY			
Capital fund	11	170,568,530	180,567,910
Unit transaction reserve		900,007	-
Retained earnings	12	(28,721,765)	9,715,659
Total equity		<u>142,746,772</u>	<u>190,283,569</u>
Net Asset Value (NAV) per unit:			
at cost		11.99	12.39
at market price		8.37	10.54

The annexed notes 1 to 17 form an integral part of these financial statements.


 Chairman
 Investment Corporation of Bangladesh
 Trustee


 Member



 Prime Finance Asset Management Co. Ltd.
 Asset Manager

Dhaka, 23 April 2024

Prime Finance Second Mutual Fund
Statement of Profit and Loss and Other Comprehensive Income
for the period ended 31 March 2024

	<u>Notes</u>	<u>Un-audited</u> 31 March 2024 <u>Taka</u>	<u>Un-audited</u> 31 March 2023 <u>Taka</u>
INCOME			
Capital gains on sale of securities		358,456	133,920
Interest income	14	55,005	447,134
Total income		413,461	581,054
EXPENSES			
Management fees	15	799,766	1,143,521
Preliminary and issue expenses		468,749	520,290
Advertisement expenses		-	70,100
Custodian fees		38,023	44,581
Trustee fees		37,483	49,650
CDBL charges		11,297	6,465
Audit fees		5,750	-
Bank charges		19,703	-
Dividend write off		10	-
Total expenses		1,380,781	1,834,607
Net profit/(loss) before provision (A - B)		(967,320)	(1,253,553)
(Provision)/Write back of provision	5.1	(28,441,708)	2,348,598
Net profit/(loss) for the period		(29,409,028)	1,095,045
Other Comprehensive income		-	-
Comprehensive income/(loss)		(29,409,028)	1,095,045
Earning per unit for the period	16	(1.72)	0.052

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Prime Finance Second Mutual Fund

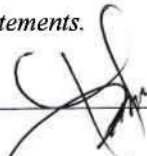
Statement of Changes in Equity for the period ended 31 March 2024

	Capital Fund Taka	Unit Transaction Reserve Taka	Retained earnings Taka	Total Taka
Balance as at 1 January 2024	180,567,910	-	9,715,659	190,283,569
Subscribed/(Surrendered) by unitholders	(9,999,380)	-	-	(9,999,380)
Addition during the period		900,007		900,007
Dividend for the last year	-	-	(9,028,396)	(9,028,396)
Net loss for the period	-	-	(29,409,028)	(29,409,028)
Balance as at 31 March 2024	170,568,530	900,007	(28,721,765)	142,746,772
Balance as at 1 January 2023	210,566,800	-	30,718,257	241,285,057
Subscribed/(Surrendered) by unitholders	(29,998,890)	-	-	(29,998,890)
Dividend for the last year	-	-	(21,056,680)	(21,056,680)
Net profit for the year	-	-	54,082	54,082
Balance as at 31 December 2023	180,567,910	-	9,715,659	190,283,569

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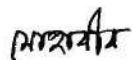
Dhaka, 23 April 2024

Prime Finance Second Mutual Fund

Statement of Cash Flows for the period ended 31 March 2024

	Un-audited 31 March 2024 Taka	Audited 31 December 2023 Taka
Cash flows from operating activities:		
Capital gains on sale of securities	358,456	1,312,489
Interest received	-	1,192,327
Dividend received	2,754,937	5,040,837
Cash paid for operating expenses	(1,222,502)	(6,870,825)
Cash received/(paid) for transaction of unit	900,007	(999,967)
Bank charges	(19,703)	(41,920)
Net cash from operating activities (A)	2,771,195	(367,059)
Cash flows from investing activities		
Cash used in investment in securities	3,389,657	19,990,892
Cash received from/(used in) Investment in FDR	-	10,000,000
Net cash used in investing activities (B)	3,389,657	29,990,892
Cash flows from financing activities:		
Capital fund	(9,999,380)	(29,998,890)
Dividend paid to Unitholders	(7,527,596)	(18,055,080)
Net cash generated from/(used in) financing activities (C)	(17,526,976)	(48,053,970)
Net increase in cash and cash equivalents (D=A+B+C)	(11,366,124)	(18,430,137)
Opening cash and cash equivalents (E)	20,624,589	39,054,726
Closing cash and cash equivalents (F=D+E):	9,258,466	20,624,589


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Trustee



Member


Prime Finance Asset Management Co. Ltd.
Asset Manager

Dhaka, 23 April 2024

Prime Finance Second Mutual Fund

Notes to the Financial Statements for the period ended 31 March 2024

1. Legal status and nature of the business

Prime Finance Second Mutual Fund is an open-ended 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 Tk. 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 Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) 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

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

These financial statements are prepared for the period ended 31 March 2024.

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 Regulatory Authority (IRA) of Bangladesh or any other competent authority in this regard.

3.1.2 Before completing the subscription the Fund can not invest the sponsor's contribution in anywhere other than capital market.

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 more than 10% of its total assets in any one particular company.

3.1.5 The Schemes of the Fund shall not invest in more than 15% of any company's paid-up capital.

3.1.6 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.

3.1.7 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.

3.1.8 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.

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

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

3.1.11 The Fund shall not invest in or lend to another Scheme managed by the same Asset Management Company.

3.1.12 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.

3.2.4 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 in hand and cash at bank and Cash with BO Account.

3.4 Provisions

A provision is recognized if, as a result of a past event, the Fund has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

3.5 Income tax

The income of the Fund is exempted from Income Tax 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.

3.6 Revenue recognition

3.6.1 Capital gain

Capital gain is recognized on being realized.

3.6.2 Dividend income

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

3.6.3 Finance income

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

3.7 Cash flow statement

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

4. Preliminary expenses

	31 March 2024 <u>Taka</u>	31 December 2023 <u>Taka</u>
Registration fees	-	-
Formation fees	-	109,072
Advertisement	-	15,067
CDBL charge	-	3,867
Management Fee	-	337,938
Printing and stationery	-	1,016
Other Expenses	-	1,789
Total	<u>-</u>	<u>468,749</u>

Movement of preliminary expenses is given below:

Opening balance	468,749	2,578,812
Less: Written off during the year	468,749	2,110,063
Closing balance	<u>-</u>	<u>468,749</u>

5. Investment at market price

Investment in Securities at cost price (Annexure - 1)	200,177,980	203,567,637
Add: Unrealised loss on investment (Note 5.1)	(61,794,292)	(33,352,584)
Total investment	<u>138,383,688</u>	<u>170,215,053</u>

5.1 Unrealised loss on investment

Movement of Unrealised loss on investment in as follows:

Opening balance	33,352,585	36,007,444
Addition during the period	28,441,708	-
	61,794,293	36,007,444
Writeback of provision	-	(2,654,859)
Closing balance	<u>61,794,293</u>	<u>33,352,585</u>

6. Dividend receivable

	31 March 2024 <u>Taka</u>	31 December 2023 <u>Taka</u>
Cash dividend receivable from:		
ACMELAB	89,502	172,002
ACTIVEFINE	9,573	9,573
AAMRATECH	-	79,800
BARKAPOWER	-	99,163
BDPAINTS	53,200	53,200
BPML	-	49,500
CONFIDCEM	-	19,875
DESCO	83,652	151,179
ESQUIRENET	-	37,000
EPGL	25,000	25,000
ETL	-	32,773
IFADAUTOS	-	51,502
PREMIERCEM	-	1,000
SKTRIMS	12,000	12,000
SSSTEEL	-	19,440
SQURPHARMA	-	105,000
TITASGAS	-	37,500
UPGDCL	-	172,208
JAMUNAOIL	-	682,539
KPCL	100,000	100,000
MJLBD	-	562,540
OLYMPIC	-	398,256
PADMAOIL	211,200	330,000
RENATA	123,925	123,925
POWERGRID	-	40,000
MIRAKHTER	-	23,266
DOMINAGE	-	2,500
Beximcoltd	-	15,000
BSRMLTD	-	35,660
ACI	-	21,588
	708,052	3,462,989
Provision for doubtful dividend receivable (Note 6.1)	(384,354)	(384,354)
	<u>323,698</u>	<u>3,078,635</u>

6.1 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>384,354</u>	<u>384,354</u>

Movement of the above provision is as follows:

			31 March 2024 Taka	31 December 2023 Taka
Opening balance			384,354	384,354
Add: Addition during the period			-	-
Closing balance			<u>384,354</u>	<u>384,354</u>
7. Other assets				
Prepaid Trustee Expense			88,651	-
Accrued interest on STD Account			55,005	-
Payable custodian fees			12,678	-
			<u>156,334</u>	<u>-</u>
8. Cash and cash equivalents				
Cash at bank (BRAC Bank Ltd., A/C No. 1505201944161001)			3,786,307	8,191,594
Cash at bank (BRAC Bank Ltd., A/C No. 1505201944161004)			102,521	10,845,905
Cash at bank (BRAC Bank Ltd., A/C No. 1505201944161003)			444,502	445,112
Cash at bank (BRAC Bank Ltd., A/C No. 1505201944161005)			63,338	63,338
Cash at BO Account			4,861,798	1,078,640
			<u>9,258,466</u>	<u>20,624,589</u>
9. Accounts payable				
Payable management fees			312,941	991,536
Payable custodian fees			-	41,975
Audit fees payable			-	40,250
			<u>312,941</u>	<u>1,073,761</u>
10. Other liabilities				
Tax deducted at source			547,773	21,796
Dividend payable			4,502,400	3,001,600
VAT deducted at source			12,300	6,300
			<u>5,062,473</u>	<u>3,029,696</u>
11. Capital fund				
	No. of Unit	Face value Per Unit Taka	31 March 2024 Taka	31 December 2023 Taka
Subscribed by Resident Bangladeshis	15,056,853	10	150,568,530	160,567,910
Subscribed by Sponsor	2,000,000	10	20,000,000	20,000,000
	<u>17,056,853</u>		<u>170,568,530</u>	<u>180,567,910</u>

12. Retained earnings	31 March 2024 Taka	31 December 2023 Taka
Opening balance	9,715,659	30,718,257
Dividend paid during the year for the last year	<u>(9,028,396)</u>	<u>(21,056,680)</u>
	687,263	9,661,577
Net profit/(loss) for the period	<u>(29,409,028)</u>	<u>54,082</u>
Closing balance	<u><u>(28,721,765)</u></u>	<u><u>9,715,659</u></u>
 13. Net Asset Value (NAV):		
<u>at cost</u>		
Value of net asset at cost	<u>204,541,064</u>	<u>223,636,153</u>
Number of units	<u>17,056,853</u>	<u>18,056,791</u>
Net Asset Value per unit	<u>11.99</u>	<u>12.39</u>
<u>at market value</u>		
Value of net asset at market price	<u>142,746,772</u>	<u>190,283,569</u>
Number of units	<u>17,056,853</u>	<u>18,056,791</u>
Net Asset Value per unit	<u>8.37</u>	<u>10.54</u>
 14. Interest income	31 March 2024 Taka	31 March 2023 Taka
Interest on FDR	-	362,500
Interest on STD Account	<u>55,005</u>	<u>84,634</u>
	<u><u>55,005</u></u>	<u><u>447,134</u></u>
 16. 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 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%
 17. Earning per unit for the period	31 March 2024 Taka	31 December 2023 Taka
Net profit for the period	<u>(29,409,028)</u>	<u>54,082</u>
Number of units	<u>17,056,853</u>	<u>18,056,791</u>
Earning per unit	<u><u>(1.72)</u></u>	<u><u>0.003</u></u>