

Prime Finance Second Mutual Fund

Statement of Financial Position (Balance Sheet) as at 31 March 2022

		Un-audited 31 March 2022 <u>Taka</u>	Audited 31 December 2021 <u>Taka</u>
ASSETS			
Non-current Assets			
Preliminary expenses	4	4,168,587	4,688,878
Current Assets			
Investment in securities at market price	5	212,701,680	213,042,471
Dividend receivable	6	668,460	3,617,834
Other assets	7	476,200	395,903
Investment in IPO		-	22,034,500
Short term investment	8	20,000,000	20,000,000
Cash and cash equivalents	9	13,778,244	20,302,239
		247,624,584	279,392,947
Total assets		251,793,171	284,081,825
Current Liabilities			
Accounts payable	10	1,712,109	893,543
Other liabilities	11	2,819,390	224,611
Un-claimed dividend		-	-
Total liabilities		4,531,499	1,118,154
Net assets		247,261,672	282,963,671
EQUITY			
Capital fund	12	211,066,800	211,065,340
Retained earnings	13	36,194,872	71,898,331
Total equity		247,261,672	282,963,671
Net Asset Value (NAV) per unit:			
at cost	14	12.81	14.32
at market price		11.71	13.41

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


 Investment Corporation of Bangladesh
 Trustee


 Prime Finance Asset Management Co. Ltd.
 Asset Manager


Dhaka, 20 April 2022

Prime Finance Second Mutual Fund
Statement of Comprehensive Income (Income Statement)
for the period ended 31 March 2022

	<u>Notes</u>	<u>31 March 2022 Taka</u>	<u>31 March 2021 Taka</u>
INCOME			
Capital gains on sale of securities		2,505,951	19,565,860
Interest income	15	337,022	426,666
Dividend		989,197	74,084
Total income		3,832,170	20,066,610
EXPENSES			
Management fees	16	1,195,030	1,190,964
Preliminary and issue expenses		520,290	520,290
Advertisement expenses		63,122	97,750
Custodian fees		48,376	46,084
Trustee fees		58,026	57,608
CDBL charges		15,515	18,790
IPO Charges		5,000	17,000
Total expenses		1,905,359	1,948,486
Net profit/(loss) before provision (A - B)		1,926,811	18,118,124
(Provision)/Write back of provision		(3,859,816)	(15,537,444)
Net profit/(loss) for the period		(1,933,005)	2,580,680
Other Comprehensive income:			
Unrealised gain on investment		-	-
Comprehensive income/(loss)		(1,933,005)	2,580,680
Earning per unit for the period	17	(0.09)	0.12

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Investment Corporation of Bangladesh
Trustee


Prime Finance Asset Management Co. Ltd.
Asset Manager



Dhaka, 20 April 2022

Prime Finance Second Mutual Fund

Statement of Changes in Equity for the period ended 31 March 2022

	Capital Fund <u>Taka</u>	Retained earnings <u>Taka</u>	Total <u>Taka</u>
Balance as at 31 December 2021	211,065,340	71,898,331	282,963,671
Subscribed by unit holders	1,460	-	1,460
Dividend paid to Unitholders	-	(33,770,454)	(33,770,454)
Net loss for the period	-	(1,933,005)	(1,933,005)
Balance as at 31 March 2022	211,066,800	36,194,872	247,261,672
Balance as at 31 December 2020	211,350,340	(4,206,887)	240,922,593
Surrendered by unit holders	(285,000)	-	(285,000)
Net profit for the period	-	42,326,078	42,326,078
Balance as at 31 December 2021	211,065,340	71,898,331	282,963,671

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



Investment Corporation of Bangladesh
Trustee


Prime Finance Asset Management Co. Ltd.
Asset Manager

Dhaka, 20 April 2022

Prime Finance Second Mutual Fund

Statement of Cash Flows for the period ended 31 March 2022

	Un-audited 31 March 2022 <u>Taka</u>	Audited 31 December 2021 <u>Taka</u>
Cash flows from operating activities:		
Capital gains on sale of securities	2,505,951	29,929,395
Interest received	317,500	1,800,270
Dividend received	3,938,571	6,776,036
Cash paid for operating expenses	1,967,503	(7,896,899)
Cash received from transaction of unit	-	(347,000)
Bank charges	-	(69,057)
Net cash from operating activities (A)	8,729,525	30,192,745
Cash flows from investing activities		
Cash used in investment in securities	(3,519,025)	(13,798,244)
Cash received from/(used in) Investment in IPO	22,034,500	(22,034,500)
Net cash used in investing activities (B)	18,515,475	(35,832,744)
Cash flows from financing activities:		
Capital fund	1,460	(285,000)
Dividend paid to Unitholders	(33,770,454)	-
Net cash generated from/(used in) financing activities (C)	(33,768,994)	(285,000)
Net increase in cash and cash equivalents (D=A+B+C)	(6,523,994)	(5,924,999)
Opening cash and cash equivalents (E)	20,302,239	26,227,238
Closing cash and cash equivalents (F=D+E):	13,778,244	20,302,239

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



Investment Corporation of Bangladesh
Trustee




Prime Finance Asset Management Co. Ltd.
Asset Manager

Dhaka, 20 April 2022

Prime Finance Second Mutual Fund

Notes to the Financial Statements for the year ended 31 March 2022

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 2022.

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).

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

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

3.1.1 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 2022 <u>Taka</u>	31 December 2021 <u>Taka</u>
Formation fees	940,098	1,056,961
Advertisement	246,777	279,361
CDBL charge	34,802	39,153
Management Fee	2,912,701	3,274,777
Printing and stationery	18,105	20,509
Other Expenses	16,104	18,117
Total	<u>4,168,587</u>	<u>4,688,878</u>

Movement of preliminary expenses is given below:

Opening balance	4,688,880	6,798,941
Add; Addition during the period	-	-
	<u>4,688,880</u>	<u>6,798,941</u>
Less: Written off during the period	520,288	2,110,061
Closing balance	<u>4,168,592</u>	<u>4,688,880</u>

5. Investment at market price

	31 March 2022 <u>Taka</u>	31 December 2021 <u>Taka</u>
Investment in Securities at cost price (Annexure - 1)	235,792,628	232,273,603
Add: Unrealised loss on investment	<u>(23,090,948)</u>	<u>(19,231,132)</u>
Total investment	<u>212,701,680</u>	<u>213,042,471</u>

The fund has not any non performing investment as at 31 March 2022

6. Dividend receivable

Receivable from:

ACMELAB	89,502	89,502
ACTIVEFINE-Cash dividend	-	19,146
BARKAPOWER	-	198,326
BBS Cables	-	100,708
BPML	-	40,560
CONFIDCEM	-	60,098
DESCO	83,652	156,179
ESQUIRENET	-	120,626
EPGL	-	35,000
ETL	-	29,132
IFADAUTOS	-	53,955
IFIC1STMF	284,106	284,106
NPOLYMAR	-	40,000
PREMIERCEM	-	57,600
RUNNERAUTO	-	56,043
SKTRIMS	-	15,000
SSSTEEL	-	10,000
SQUARETEXT	-	103,312
SQURPHARMA	-	376,254
UPGDCL	-	365,942
MJLBD	-	618,794
OLYMPIC	-	358,430
PADMAOIL	211,200	211,200
RENATA	-	217,921
	<u>668,460</u>	<u>3,617,834</u>

7. Other assets

Prepaid Trustee Expense	60,775	-
Accrued interest on FDR and STD Account	<u>415,425</u>	<u>395,903</u>
	<u>476,200</u>	<u>395,903</u>

8. Short term investment

This amount represents the investment in FDR of Prime Finance & Investment Limited. Details are as follows:

<u>FDR No.</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Expiry Date</u>	<u>31 March 2022 Taka</u>	<u>31 December 2021 Taka</u>
DBHFCL: 7100019258	6.00%	08.12.2021	08.06.2022	10,000,000	10,000,000
LANKABAFIN: 00122	7.00%	07.12.2021	07.06.2022	10,000,000	10,000,000
				20,000,000	20,000,000

9. Cash and cash equivalents

Cash at bank (BRAC Bank Ltd., A/C No. 1505201944161001)	4,867,166	6,911,597
Cash at bank (BRAC Bank Ltd., A/C No. 1505201944161004)	374,362	559,179
Cash at bank (BRAC Bank Ltd., A/C No. 1505201944161003)	447,942	447,942
Cash at bank (BRAC Bank Ltd., A/C No. 1505201944161005)	81,104	1,041,618
Cash at BO Account	8,007,670	11,341,903
	13,778,244	20,302,239

10. Accounts payable

Payable management fees	1,670,398	475,368
Payable custodian fees	41,711	101,132
Payable trustee fees	-	248,043
Audit fees payable	-	69,000
	1,712,109	893,543

11. Other liabilities

Tax deducted at source	2,597,876	20,347
VAT deducted at source	221,514	204,264
	2,819,390	224,611

12. Capital fund

	<u>No. of Unit</u>	<u>Face value Per Unit Taka</u>	<u>31 March 2022 Taka</u>	<u>31 December 2021 Taka</u>
Subscribed by Resident Bangladeshis	19,106,680	10	191,066,800	191,065,340
Subscribed by Sponsor	2,000,000	10	20,000,000	20,000,000
	21,106,680		211,066,800	211,065,340

13. Retained earnings

	31 March 2022 <u>Taka</u>	31 December 2021 <u>Taka</u>
Opening balance	71,898,331	71,898,331
Net profit/(loss) for the period	<u>(1,933,005)</u>	<u>42,326,078</u>
Closing balance	<u>69,965,326</u>	<u>114,224,410</u>

14. Net Asset Value (NAV):**at cost**

Value of net asset at cost	<u>270,352,620</u>	<u>302,194,803</u>
Number of units	<u>21,106,680</u>	<u>21,106,534</u>
Net Asset Value per unit	<u>12.81</u>	<u>14.32</u>

at market value

Value of net asset at market price	<u>247,261,672</u>	<u>282,963,671</u>
Number of units	<u>21,106,680</u>	<u>21,106,534</u>
Net Asset Value per unit	<u>11.71</u>	<u>13.41</u>

15. Interest income

	31 March 2022	31 March 2021
Interest on FDR	300,000	350,000
Interest on STD Account	<u>37,022</u>	<u>76,666</u>
	<u>337,022</u>	<u>426,666</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 <u>2022</u>	31 March <u>2021</u>
Net profit for the year	<u>(1,933,005)</u>	<u>2,580,680</u>
Number of units	<u>21,106,680</u>	<u>21,265,034</u>
Earning per unit	<u>(0.09)</u>	<u>0.12</u>

Prime Finance Second Mutual Fund

Investment at market price as at 31 March 2022

Sl. No.	Instrument	Number of Unit Taka	Number of Sellable Unit Taka	Average Cost Taka	Total Cost Taka	Market Price per unit Taka	Total Market Price Taka	Unrealized Gain/(Loss) Taka
1	ABB1STMF	150,000	150,000.00	7.41	1,112,220	5.60	840,000.00	-
2	ACMELAB	10,000	10,000.00	90.18	901,800.00	90.80	908,000.00	6,200
3	ACTIVEFINE	382,917	382,917.00	31.72	12,147,555	22.60	8,653,924.20	(3,493,631)
4	BARKAPOWER	198,326	198,326.00	30.30	6,009,418	24.90	4,938,317.40	(1,071,101)
5	BATASHOE	5,519	5,519.00	980.61	5,411,973	898.40	4,958,269.60	(453,703)
6	BATBC	3,750	3,750.00	504.02	1,890,065	584.50	2,191,875.00	301,810
7	BBSCABLES	105,743	105,743.00	68.08	7,199,072	56.80	6,006,202.40	(1,192,869)
8	CITYBANK	210,480	210,480.00	31.38	6,605,509	25.90	5,451,432.00	(1,154,077)
9	CONFIDCEM	37,839	37,839.00	133.72	5,059,825	114.00	4,313,646.00	(746,179)
10	DESCO	67,527	67,527.00	42.78	2,889,001	39.10	2,640,305.70	(248,695)
11	DOMINAGE	21,000	21,000.00	32.83	689,376	23.30	489,300.00	(200,076)
12	EPGL	35,000	35,000.00	55.82	1,953,560	38.90	1,361,500.00	(592,060)
13	ESQUIRENIT	90,417	90,417.00	37.24	3,367,187	34.00	3,074,178.00	(293,009)
14	ETL	145,658	145,658.00	17.79	2,590,840	10.80	1,573,106.40	(1,017,734)
15	FAMILYTEX	94,475	94,475.00	17.34	1,638,150	4.90	462,927.50	(1,175,223)
16	GHAIL	83,533	83,533.00	17.68	1,476,864	18.10	1,511,947.30	35,083
17	GP	14,500	14,500.00	354.57	5,141,251	328.90	4,769,050.00	(372,201)
18	GRAMEENS2	208,126	208,126.00	17.01	3,539,517	15.90	3,309,203.40	-
19	HEIDELBCEM	12,106	12,106.00	540.72	6,545,946	274.90	3,327,939.40	(3,218,006)
20	IBBLPBOND	2,925	2,925.00	869.96	2,544,637	1,043.50	3,052,237.50	507,600
21	IBNSINA	14,005	14,005.00	258.22	3,616,416	298.10	4,174,890.50	558,474
22	IDLC	42,279	42,279.00	71.58	3,026,507	52.10	2,202,735.90	(823,771)
23	IFADAUTOS	49,050	49,050.00	79.01	3,875,261	45.60	2,236,680.00	(1,638,581)
24	IFIC1STMF	460,103	460,103.00	6.47	2,978,698	5.60	2,576,576.80	(402,121)
25	ISLAMIBANK	122,500	122,500.00	29.18	3,574,565	32.80	4,018,000.00	443,435
26	JAMUNAOIL	52,503	52,503.00	199.76	10,488,226	163.20	8,568,489.60	(1,919,736)
27	KFL	86,526	86,526.00	10.00	865,260	10.00	865,260.00	-
28	KPCL	100,000	100,000.00	32.02	3,201,871	32.80	3,280,000.00	78,129
29	LANKABAFIN	20,895	20,895.00	39.18	818,625	32.30	674,908.50	(143,717)

Prime Finance Second Mutual Fund

Investment at market price as at 31 March 2022

Sl. No.	Instrument	Number of Unit Taka	Number of Sellable Unit Taka	Average Cost Taka	Total Cost Taka	Market Price per unit Taka	Total Market Price Taka	Unrealized Gain/(Loss) Taka
30	LINDEBD	2,397	2,397.00	1,298.15	3,111,656	1,581.40	3,790,615.80	678,960
31	MARICO	1,035	1,035.00	2,124.88	2,199,249	2,355.20	2,437,632.00	238,383
32	MIRAKHTER	18,613	18,613.00	66.09	1,230,128	62.30	1,159,589.90	(70,538)
33	MJLBD	112,508	112,508.00	109.07	12,270,699	88.40	9,945,707.20	(2,324,992)
34	NPOLYMER	44,000	44,000.00	56.63	2,491,924	53.60	2,358,400.00	(133,524)
35	OLYMPIC	66,376	66,376.00	255.05	16,929,497	137.20	9,106,787.20	(7,822,709)
36	PADMAOIL	8,800	8,800.00	307.02	2,701,806	206.10	1,813,680.00	(888,126)
37	PENINSULA	20,000	20,000.00	35.27	705,408	36.60	732,000.00	26,592
38	PLFSL	18,748	18,748.00	49.34	924,975	3.00	56,244.00	(868,731)
39	POWERGRID	20,000	20,000.00	67.38	1,347,690	63.50	1,270,000.00	(77,690)
40	PREMIERCEM	48,644	48,644.00	67.00	3,259,365	56.20	2,733,792.80	(525,572)
41	RELIANCE1	123,846	123,846.00	12.10	1,499,120	11.40	1,411,844.40	-
42	RENATA	18,531	18,531.00	841.32	15,590,509	1,353.30	25,078,002.30	9,487,493
43	RUNNERAUTO	56,043	56,043.00	66.00	3,698,727	50.90	2,852,588.70	(846,138)
44	SINGERBD	20,762	20,762.00	182.13	3,781,351	170.00	3,529,540.00	(251,811)
45	SKTRIMS	40,000	40,000.00	41.13	1,645,284	27.90	1,116,000.00	(529,284)
46	SPCL	20,000	20,000.00	85.82	1,716,426	76.60	1,532,000.00	(184,426)
47	SQURPHARMA	62,709	62,709.00	203.73	12,775,862	219.30	13,752,083.70	976,222
48	SSSTEEL	94,000	94,000.00	20.79	1,953,900	19.30	1,814,200.00	(139,700)
49	SUMITPOWER	139,400	139,400.00	41.52	5,787,860	39.00	5,436,600.00	(351,260)
50	TITASGAS	75,000	75,000.00	40.32	3,024,338	40.50	3,037,500.00	13,162
51	UPGDCL	21,526	21,526.00	272.11	5,857,446	253.90	5,465,451.40	(391,994)
52	VAMLBDMF1	23,190	23,190.00	10.32	239,335	7.80	180,882.00	-
53	WALTONHIL	2,000	2,000.00	1,382.81	2,765,620	1,076.10	2,152,200.00	(613,420)
					218,667,369		195,194,245	(22,824,862)
	Investment in Mutual Fund (Capitec IBBL Shariah Unit Fund)	983,000.00	983,000.00	10.18	10,006,940	9.54	9,377,820.00	(629,120)
	Investment in Mutual Fund (VIPB SEBL 1st Unit Fund)	711,832.00	711,832.00	10.00	7,118,320	10.51	7,481,354.32	363,034
					235,792,629		212,053,419	(23,090,948)