

**Investment Corporation of Bangladesh**  
Trustee of Prime Finance Second Mutual Fund  
BDBL Building (12<sup>th</sup>-15<sup>th</sup> Floors)  
8 RAJUK Avenue  
Dhaka 1000

**Prime Finance Second Mutual Fund**

Auditors' report and financial statements  
for the period from 06 April 2017 to 31 December 2017

**S. F. AHMED & CO**

Chartered Accountants

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**Prime Finance Second Mutual Fund**

**Auditors' Report to the Unit-holders**  
**For the period from 06 April 2017 to 31 December 2017**

We have audited the accompanying financial statements of Prime Finance Second Mutual Fund (the Fund), which comprise the statement of financial position (balance sheet) as at 31 December 2017, and the statement of profit or loss and other comprehensive income (profit and loss statement), statement of changes in equity and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information.

**Management's responsibilities for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards and other applicable laws and regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material mis-statements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditors' responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 31 December 2017, and of its financial performance and its cash flows for the period then ended in accordance with Bangladesh Financial Reporting Standards and comply with the requirements of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001, Trust Deed and other applicable laws and regulations.

We also report that:

- 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;
- in our opinion, proper books of account as required by law have been kept by the Fund so far as it appeared from our examination of those books;
- the statement of financial position (balance sheet) and statement of profit and loss and other comprehensive income (profit and loss statement) dealt with by this report are in agreement with the books of account;
- the investment made by the Fund is as per Rule 56 of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001; and
- the expenditure incurred and payments made were for the purpose of the Fund's business.

Dhaka, Bangladesh  
Dated. 13 February 2018



  
S. F. AHMED & CO  
Chartered Accountants

Prime Finance Second Mutual Fund

Statement of Financial Position (Balance Sheet)  
As at 31 December 2017

	Notes	31 Dec 2017 BDT	05 Apr 2017 BDT
<b>Assets</b>			
Issue and formation expenses	4	13,134,915	14,695,784
Investment in securities	5	310,851,552	169,130,784
Receivables	6	2,141,912	5,500
Other receivables	7	3,676,714	693,553
Investment in IPO	8	6,200,000	-
Investment in FDR	9	100,000,000	-
Cash and cash equivalents	10	53,147,218	208,331,691
<b>Total assets</b>		<b>489,152,311</b>	<b>392,857,312</b>
<b>Less: Liabilities</b>			
Accounts payable	11	3,866,938	3,444,038
Other liabilities	12	212,184	152,038
<b>Total liabilities</b>		<b>4,079,122</b>	<b>3,596,076</b>
<b>Net assets</b>		<b>485,073,189</b>	<b>389,261,236</b>
<b>Equity</b>			
Unit capital	13	405,817,000	200,000,000
Unit money deposit		-	131,761,000
Reserve for unit transaction		4,692,520	-
Retained earnings		74,563,669	57,500,236
<b>Total equity</b>		<b>485,073,189</b>	<b>389,261,236</b>
<b>Net Asset Value (NAV) per unit:</b>			
At cost	14	11.95	11.73
At market price		12.15	11.78

These financial statements should be read in conjunction with annexed notes

  
Trustee  
Investment Corporation of Bangladesh

For and on behalf of Prime Finance Second Mutual Fund

  
Asset Manager  
Prime Finance Asset Management Co. Ltd

See annexed report to the date



Dhaka, Bangladesh  
Dated, 13 February 2018

  
S. F. AHMED & CO  
Chartered Accountants

Prime Finance Second Mutual Fund

Statement of Profit or Loss and Other Comprehensive Income (Profit and Loss Statement)  
For the period from 06 April 2017 to 31 December 2017

	Notes	06 Apr to 31 Dec 2017 BDT	06 Apr to 31 Dec 2016 BDT
<b>Income</b>			
Capital gains on sale of securities		11,698,114	1,883,294
Bank interest	15	6,265,210	716,545
Dividend		7,724,502	2,935,241
Interest on debentures / bonds		552,275	601,275
<b>Total income (A)</b>		<b>26,240,101</b>	<b>6,136,355</b>
<b>Expenses</b>			
Management fee	16	5,758,041	3,087,302
Issue and formation expenses	4	1,560,869	-
Fee and commission		406,662	244,381
Annual fee		381,525	-
Advertisement expenses		355,807	-
Trustee fee		294,607	125,451
Custodian fee		181,609	95,700
Audit fee		86,250	57,500
CDBL charges		74,796	21,559
Financial expense		35,502	1,995
Registration fee		25,000	-
IPO Charges		16,000	-
<b>Total expenses (B)</b>		<b>9,176,668</b>	<b>3,633,888</b>
<b>Net profit before provision (A - B)</b>		<b>17,063,433</b>	<b>2,502,467</b>
Write back of provision against diminution in value of securities	17	-	15,725,163
<b>Net profit for the period</b>		<b>17,063,433</b>	<b>18,227,630</b>
<b>Earnings per unit for the period</b>	18	<b>0.42</b>	<b>0.55</b>

These financial statements should be read in conjunction with annexed notes



Trustee  
Investment Corporation of Bangladesh

For and on behalf of Prime Finance Second Mutual Fund



Asset Manager  
Prime Finance Asset Management Co. Ltd



Dhaka, Bangladesh  
Dated, 13 February 2018

See annexed report to the date



S. F. AHMED & CO  
Chartered Accountants

Prime Finance Second Mutual Fund

Statement of Changes in Equity  
For the period from 06 April 2017 to 31 December 2017

Particulars	Capital fund BDT	Reserve for transaction of unit BDT	Unit money deposit BDT	Retained earnings BDT	Total BDT
<b>Period from 06 April 2016 to 31 December 2016:</b>					
Balance as at 06 April 2016	200,000,000	-	-	13,889,598	213,889,598
Net profit for the period	-	-	-	18,227,630	18,227,630
Balance as at 31 December 2016	200,000,000	-	-	32,117,228	232,117,228
<b>Period from 06 April 2017 to 31 December 2017:</b>					
Balance as at 06 April 2017	200,000,000	-	131,761,000	57,500,236	389,261,236
Transferred to capital fund	-	-	(131,761,000)	-	(131,761,000)
Subscribed by unit holders	205,817,000	-	-	-	205,817,000
Addition during the period	-	4,692,520	-	-	4,692,520
Net profit for the period	-	-	-	17,063,433	17,063,433
Balance as at 31 December 2017	405,817,000	4,692,520	-	74,563,669	485,073,189

  
Trustee  
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For and on behalf of Prime Finance Second Mutual Fund

  
Asset Manager  
Prime Finance Asset Management Co. Ltd

Dhaka Bangladesh  
Dated, 13 February 2018



Prime Finance Second Mutual Fund

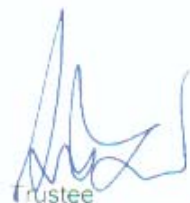
Statement of Cash Flows

For the period from 06 April 2017 to 31 December 2017

	Note	06 Apr to 31 Dec 2017 BDT	06 Apr to 31 Dec 2016 BDT
<b>A. Cash flows from operating activities</b>			
Capital gains on sale of securities		11,698,113	1,883,294
Interest received		3,834,324	1,556,668
Dividend received		5,588,090	2,929,741
Cash (paid for)/received from other operations		(7,097,251)	(2,372,737)
Cash received from transaction of unit		4,692,520	-
Financial expenses		(35,502)	(1,995)
<b>Net cash from operating activities</b>		<b>18,680,294</b>	<b>3,994,971</b>
<b>B. Cash flows from investing activities</b>			
Investment in securities		(141,720,767)	(16,536,114)
Investment in IPO		(6,200,000)	-
Investment in FDR		(100,000,000)	-
<b>Net cash used in investing activities</b>		<b>(247,920,767)</b>	<b>(16,536,114)</b>
<b>C. Cash flows from financing activities</b>			
Unit capital		205,817,000	-
Unit money deposit		(131,761,000)	-
<b>Net cash used in financing activities</b>		<b>74,056,000</b>	<b>-</b>
<b>D. Net changes in cash and cash equivalents (A+B+C)</b>		<b>(155,184,473)</b>	<b>(12,541,143)</b>
E. Opening cash and cash equivalents as at 06 April		208,331,691	89,948,934
F. Closing cash and cash equivalents (D+E)		53,147,218	77,407,791
<b>Net operating cash flow per unit for the period</b>	19	<b>0.46</b>	<b>0.12</b>

These financial statements should be read in conjunction with annexed notes

For and on behalf of Prime Finance Second Mutual Fund



Trustee  
Investment Corporation of Bangladesh



Dhaka, Bangladesh  
Dated, 13 February 2018



Asset Manager  
Prime Finance Asset Management Co. Ltd

Prime Finance Second Mutual Fund

Notes to the Financial Statements  
For the period from 06 April 2017 to 31 December 2017

**1. The fund and legal status**

Prime Finance Second Mutual Fund is an open-ended fund registered with Sub-Registrar's Office under the Registration Act 1908. Bangladesh Securities and Exchange Commission has approved the Fund on 19 January 2016 vide Registration Code no. BSEC/Mutual Fund/2016/60. On 06 April 2017 Investment Corporation of Bangladesh, Trustee of the Fund, has provided its approval to operate the Fund.

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 only) was subscribed by Prime Finance & Investment Ltd, Sponsor of the Fund. Rest of the amount was subscribed by several individuals and institutions.

Prime Finance & Investment Limited is the sponsor of the Fund and subscribed an amount of Taka 200,000,000 (Taka two hundred million) only. Investment Corporation of Bangladesh is the Trustee and Custodian of the Fund while Prime Finance Asset Management Company Ltd is managing the operations of the Fund as Asset Management Company/ Asset Manager.

The objective of the Fund is to earn risk adjusted maximum return by maintaining a diversified investment portfolio and provide attractive dividend payments to the unit-holders. Most of the investments of the Fund are made in quoted securities. The net income of the Fund is distributable to the unit-holders on a yearly declaration basis.

**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 Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001 and other applicable laws and regulations.

**2.2 Basis of measurement**

These financial statements have been prepared on a going concern basis under historical cost convention.

**2.3 Functional currency and presentational 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 integer.

**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 from 06 April 2017 to 31 December 2017. With the approval of Investment Corporation of Bangladesh vide its letter no. 42.208/1685 dated 06 April 2017. The Fund has been operational since the said approval date and a new accounting period ended 31 December 2017 has been adopted for the current year.



Prime Finance Second Mutual Fund

Notes to the Financial Statements  
For the period from 06 April 2017 to 31 December 2017

**2.6 Taxation**

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. Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

**3.1 Investment policy**

- 3.1.1 The Fund shall invest subject to the Rules and only in those securities, deposits and investments approved by Bangladesh Securities and Exchange Commission.
- 3.1.2 Not less than 60% of the total assets of the Scheme of the Fund shall be invested in capital market instruments out of which at least 50% shall be invested in listed securities.
- 3.1.3 Not more than 25% of the total asset of the Scheme of the Fund shall be invested in Fixed Income Securities (FIS).
- 3.1.4 Not more than 15% of the total asset of the Scheme of the Fund shall be invested in pre-IPOs at a time.
- 3.1.5 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.
- 3.1.6 The Fund shall get the securities purchased or transferred in the name of the Fund.
- 3.1.7 The Asset Management Company will make the investment decisions and place orders for securities to be purchased or sold for the Scheme's portfolio.
- 3.1.8 The Fund shall get the securities purchased or transferred in the name of the Fund.

**3.2 Investment restrictions**

- 3.2.1 The Fund shall not invest more than 10% of its total assets in any particular company.
- 3.2.2 The Fund shall not invest more than 15% of any company's paid up capital.
- 3.2.3 The Fund shall not invest more than 20% of its total assets in shares, debentures or other securities of a single company or group.
- 3.2.4 The Fund shall not invest more than 25% of its total assets in shares, debentures or other securities in any one industry.
- 3.2.5 Before completing the subscription the Fund can not invest the sponsor's contribution in anywhere other than capital market.
- 3.2.6 The Fund shall not invest in or lend to another Scheme managed by the same Asset Management Company.

**3.3 Valuation policy**

- 3.3.1 For listed securities, the average quoted market price on the stock exchanges on the date of valuation shall form the basis of any calculation of Net Asset Value of such securities in the portfolio of the Fund.





Prime Finance Second Mutual Fund

Notes to the Financial Statements

For the period from 06 April 2017 to 31 December 2017

- 3.3.2 For securitised debts, debentures, margin or fixed deposits, the accrued interest on such instruments on the date of valuation shall be taken into account in any calculation of Net Asset Value of such securities in the portfolio of the Fund.
- 3.3.3 The valuation of non-listed securities will be made by the Asset Management Company with their reasonable value and approved by the Trustee.
- 3.3.4 Listed securities (other than mutual fund) are valued at market value as per BAS 39. Mutual fund securities are valued at lower of 85% of NAV, cost price or market price as per Bangladesh Securities and Exchange Commission circular ref. No. BSEC/Mukhopatro/2011/1972 dated 29 June 2015.

3.3.5 Net Asset Value (NAV) calculation

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

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

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

$V_A$  = 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.

$L_T$  = 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.

3.4 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank and balance with BO account.

3.5 Provisions

A provision is recognised 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.

3.6 Revenue recognition

3.6.1 Capital gains

This is recognised on being realised.

3.6.2 Dividend income

Dividend income is recognised on being declared by the investee company and if the record date is 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.

3.8 Expense restriction

The total expenses charged to any Scheme of the Fund, except the amortisation of initial issue expenses shall not exceed 4% of the weekly average net assets outstanding during any accounting year.



Prime Finance Second Mutual Fund

Notes to the Financial Statements  
For the period ended 31 December 2017

4. Issue and formation expenses

	31 December 2017 BDT	05 April 2017 BDT
Formation fee	2,954,036	3,304,625
Advertisement	808,313	906,065
CDBL charge	109,772	122,823
Management fee	9,152,480	10,238,708
Printing and stationery	59,521	66,731
Other expenses	50,793	56,832
	<b>13,134,915</b>	<b>14,695,784</b>

Movement of preliminary expenses is given below:

Opening balance	14,695,784	-
Add: Addition during the period	-	14,770,449
	14,695,784	14,770,449
Less: Written off during the period	1,560,869	74,665
<b>Closing balance</b>	<b>13,134,915</b>	<b>14,695,784</b>

As per prospectus of the fund, issue and formation expenses are to be amortised within seven (7) years on a straight-line basis. Here, these expenses are being amortised on daily straight-line basis within seven (7) years from the respective particular dates of being booked in the accounts.

5. Investment in securities

Investment in Securities at cost price (Annexure - 1)	310,851,552	169,130,785
Unrealised gain	7,910,064	1,441,764
<b>Total investment in securities at market price</b>	<b>318,761,616</b>	<b>170,572,549</b>

The investment in marketable securities is designated as Held for Trading in accordance with BAS 39 Financial Instruments: Recognition and Measurement and measured at market value, and any gains or losses recognised in the face of Statement of Comprehensive Income.

Listed securities (other than mutual fund) are valued at market value as per BAS 39. Mutual fund securities are valued at lower of 85% of NAV, cost price or market price as per Bangladesh Securities and Exchange Commission circular ref. No. BSEC/Mukhopatro/2011/1972 dated 29 June 2015.

6. Receivables

Jamuna Oil Company Limited	595,386	-
MJL Bangladesh Ltd	469,552	-
Bata Shoe Company (Bangladesh) Ltd	282,026	-
Olympic Industries Ltd	173,497	-
Padma Oil Company Limited	96,800	-
Renata Limited	91,161	-
Khulna Power Company Ltd	81,422	-
Shahjibazar Power Co. Ltd (SPCL)	73,917	-
Baraka Power Ltd	71,900	-
Bangladesh Submarine Cable Company Limited (BSCCL)	50,228	-
Confidence Cement Ltd	40,650	-
Dhaka Electric Supply Company Limited (DESCO)	33,545	-
Investment Corporation of Bangladesh Limited (ICB)	30,000	-
IT Consultants Limited (ITC)	25,920	-
Metro Spinning Ltd	11,196	-
Reckitt Benckiser Bangladesh Ltd	9,212	-
British American Tobacco Bangladesh Company Limited	5,500	5,500
	<b>2,141,912</b>	<b>5,500</b>



Prime Finance Second Mutual Fund

Notes to the Financial Statements  
For the period ended 31 December 2017

		31 December 2017	05 April 2017
<b>7. Other receivables</b>			
		BDT	BDT
	Accrued interest on FDR	3,584,464	601,303
	Tax deducted at source from dividend	92,250	92,250
		<b>3,676,714</b>	<b>693,553</b>
<b>8. Investment in IPO</b>			
	Aman Cotton Fibrous Ltd	1,200,000	-
	Bashunchara Paper Mills Ltd	5,000,000	-
		<b>6,200,000</b>	<b>-</b>
<b>9. Investment in FDR</b>			
This amount represents the investment in FDR in Prime Finance & Investment Ltd. Details are as under:			
<u>FDR No.</u>	<u>Interest rate</u>	<u>Issue date</u>	<u>Expiry date</u>
PFI # TDR-7183/17	8.75%	9 May 2017	8 Nov 2017
PFI # TDR-7184/17	9.15%	9 May 2017	8 May 2018
PFI # TDR-7185/17	9.15%	9 May 2017	8 May 2018
PFI # TDR-7186/17	9.15%	9 May 2017	8 May 2018
PFI # TDR-7187/17	9.15%	9 May 2017	8 May 2018
PFI # TDR-7188/17	9.15%	9 May 2017	8 May 2018
PFI # TDR-7641/17	9.15%	9 May 2017	8 May 2018
PFI # TDR-7642/17	9.15%	9 May 2017	8 May 2018
PFI # TDR-7643/17	9.15%	9 May 2017	8 May 2018
PFI # TDR-7644/17	9.15%	9 May 2017	8 May 2018
		<b>100,000,000</b>	<b>-</b>
<b>10. Cash and cash equivalents</b>			
	Balance with BRAC Bank Limited - STD account	4,315,294	37,983,652
	Balance with BRAC Bank Limited - STD account	38,559,624	-
	Balance with BRAC Bank Limited - STD account	427,042	131,759,445
	Balance with PFI Securities Limited - BO Account	9,845,258	38,588,594
		<b>53,147,218</b>	<b>208,331,691</b>
<b>11. Accounts payable</b>			
	Payable to Prime Finance Asset Management Company Ltd	3,061,350	2,747,087
	Custodian fee	137,462	109,682
	Trustee fee	276,876	282,269
	Audit fee payable	391,250	305,000
		<b>3,866,938</b>	<b>3,444,038</b>
<b>12. Other liabilities</b>			
	Tax deducted at source	20,915	20,783
	VAT deducted at source	191,269	131,255
		<b>212,184</b>	<b>152,038</b>
<b>13. Unit capital</b>			
		No. of Unit	Face value Per Unit BDT
	Subscribed by resident Bangladeshis	20,581,700	10
	Subscribed by sponsor	20,000,000	10
		<b>40,581,700</b>	
			<b>205,817,000</b>
			<b>200,000,000</b>
			<b>405,817,000</b>
			<b>331,761,000</b>



Prime Finance Second Mutual Fund

Notes to the Financial Statements  
For the period ended 31 December 2017

14. Net asset value (NAV) per unit	31 December 2017 BDT	05 April 2017 BDT
<b>At cost</b>		
Value of net asset at cost	485,073,189	389,261,236
Number of units	40,581,700	33,176,100
Net Asset Value per unit	<b>11.95</b>	<b>11.73</b>
<b>At market value</b>		
Value of net asset at market price	492,983,253	390,703,000
Number of units	40,581,700	33,176,100
Net Asset Value per Unit	<b>12.15</b>	<b>11.78</b>
<b>15. Bank interest</b>	<b>31 December 2017 BDT</b>	<b>31 December 2016 BDT</b>
Interest on FDR	5,195,542	-
Interest on STD account	1,069,668	601,302
	<b>6,265,210</b>	<b>601,302</b>
<b>16. Management fee</b>	<b>5,758,041</b>	<b>1,426,542</b>
Management fees is payable to Prime Finance Asset Management Company Ltd. As per Securities and Exchange Commission (Mutual Fund) Rules, 2001 the Fund has to pay management fee to Prime Finance Asset Management Company Ltd at the rates mentioned below :		
<b>Slab</b>	<b>Rate of fee</b>	
On weekly average NAV Upto Taka 5 crore	2.5%	
On next 20 crore of weekly average NAV	2.0%	
On next 25 crore of weekly average NAV	1.5%	
On rest of weekly average NAV	1.0%	
<b>17. Write back of provision against diminution in value of securities</b>		
Provision made as on 31 December 2016	-	9,343,543
Provision required as on 5 April 2017	-	-
<b>Provision reversed</b>	<b>-</b>	<b>9,343,543</b>
<b>18. Earnings per unit</b>		
Earnings per unit is calculated on the basis of unit held as at 31 December:		
Net profit for the period - (numerator)	17,063,433	18,227,630
Number of units - (denominator)	40,581,700	33,176,100
Earnings per unit	<b>0.42</b>	<b>0.55</b>
<b>19. Cash flows from operating activities per unit</b>		
Cash flows from operating activities per unit is calculated on the basis of unit held as at 31 December:		
Net cash from/ (used in) operating activities - (numerator)	18,680,294	3,994,971
Number of units - (denominator)	40,581,700	33,176,100
Cash flows from operating activities per unit	<b>0.46</b>	<b>0.12</b>
<b>20. Events after the reporting period</b>		
The Trustee of the Fund has approved cash dividend at the rate of 17.50% i.e. Taka 1.75 (Taka One and Paisa Seventy Five) only per unit for the year ended 31 December 2017 at the Meeting held on 13 February 2018.		



Prime Finance Second Mutual Fund

Notes to the Financial Statements  
For the period ended 31 December 2017

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21. Others

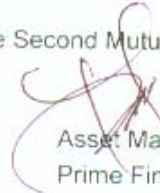
- 21.1 Figures in these notes and annexed financial statements have been rounded off to the nearest BDT.
- 21.2 Figures of previous year have been rearranged wherever considered necessary, to conform the current year's presentation.



Trustee

Investment Corporation of Bangladesh

For and on behalf of Prime Finance Second Mutual Fund



Asset Manager

Prime Finance Asset Management Co. Ltd

Dhaka, Bangladesh

Dated, 13 February 2018



Prime Finance Second Mutual Fund

Details of investment in securities  
As at 31 December 2017

Annex 1

Sl. No.	Industry	Instrument	Number of units	Number of sellable units	Average cost	Total cost	Amount (BDT)		
							Market price per unit	Total market price	Unrealised gain/(loss)
1		The City Bank Ltd	48,300		50.54	2,441,121	53.20	2,569,560	128,439
2		Islami Bank Bangladesh Limited	50,500		36.06	1,821,158	36.60	1,848,300	27,142
3	<b>Bank</b>	Prime Bank Ltd	70,850		28.03	1,985,695	27.40	1,941,290	(44,405)
4		Standard Bank Limited	39,858		16.82	670,290	15.60	621,785	(48,505)
5		Trust Bank Limited	104,149		35.86	3,734,751	42.60	4,436,747	701,996
6	<b>Bond</b>	25% Subordinated Convertible Bonds of BRAC Bank Limited	1,915	1,915	1,000.00	1,915,000	1,080.00	2,068,200	153,200
7		IBBL Mudaraba Perpetual Bond	3,500	3,500	869.96	3,044,865	983.00	3,440,500	395,635
8		Confidence Cement Ltd	27,520	22,100	119.57	3,290,512	152.50	4,196,800	906,288
9	<b>Cement</b>	Heidelberg Cement Bangladesh Ltd	22,106	22,106	540.72	11,953,137	424.90	9,392,839	(2,560,298)
10		Premier Cement Mills Limited	16,860	16,860	91.28	1,538,940	87.70	1,478,622	(60,318)
11	<b>Engineering</b>	Oimex Electrode Limited	1,343	-	9.06	12,165	65.20	87,564	75,398
12		Singer Bangladesh Limited	27,274	27,274	190.35	5,191,605	195.50	5,332,067	140,462
13	<b>Food</b>	British American Tobacco Bangladesh Company Limited	3,867	3,867	2,976.67	11,510,784	3,401.60	13,153,987	1,643,203
14		Olympic Industries Ltd	34,555	34,555	302.02	10,436,150	288.30	9,962,207	(473,943)
15		Baraka Power Limited	166,370	166,370	37.70	6,271,402.88	34.40	5,723,128	(548,275)
16		Dhaka Electric Supply Company Ltd	33,545	33,545	60.81	2,039,923	45.40	1,522,943	(516,980)
17		Jamuna Oil Company Limited	54,126	54,126	208.44	11,281,945	189.70	10,267,702	(1,014,243)
18		Khulna Power Company Limited	29,804	26,804	60.67	1,808,126	58.50	1,743,534	(64,592)
19	<b>Fuel &amp; Power</b>	Linde Bangladesh Limited	9,344	9,344	1,324.47	12,375,825	1,284.70	12,004,237	(371,589)
20		MJL Bangladesh Limited	109,345	109,345	121.54	13,289,855	109.10	11,929,540	(1,360,315)
21		Padma Oil Co. Ltd	8,800	8,800	307.02	2,701,806	239.00	2,103,200	(598,606)
22		Shahjibazar Power Co. Ltd	52,665	46,198	125.20	6,593,662	116.10	6,114,407	(479,255)
23		Summit Power Limited	72,087	72,087	40.23	2,900,404	35.90	2,587,923	(312,480)
24	<b>IT</b>	IT Consultants Limited	44,928	44,928	50.21	2,255,979	35.50	1,594,944	(661,035)
25		Meghna Life Insurance Co. Ltd	13,513	13,513	157.64	2,130,219	59.90	809,429	(1,320,790)
26		Phoenix Insurance Company Ltd	9,840	9,840	64.88	638,391	29.50	290,280	(348,111)
27	<b>Life Insurance</b>	Popular Life Insurance Co. Ltd	18,748	18,748	49.34	924,975	13.70	256,848	(668,127)
28		Rupali Life Insurance Company Limited	11,685	11,685	58.00	677,709	47.30	552,701	(125,008)
29		Sunlife Insurance Company Limited	27,674	27,674	66.31	1,835,116	24.70	683,548	(1,151,568)



Prime Finance Second Mutual Fund

Details of investment in securities  
As at 31 December 2017

Annex 1

Sl. No.	Industry	Instrument	Number of units	Number of sellable units	Average cost	Total cost	Amount (BDT)		
							Market price per unit	Total market price	Unrealised gain/ (loss)
30		Grameen One : Scheme Two	456,617	456,617	14.34	6,547,888	15.50	7,077,564	529,676
31		ICB AMCL First Agrani Bank Mutual Fund	45,000	45,000	7.96	358,294	8.10	364,500	6,206
32		IFIC Bank 1st Mutual Fund	919,457	919,457	6.53	5,999,926	6.10	5,608,688	(391,238)
33	<b>Mutual Fund</b>	NLI First Mutual Fund	995,498	995,498	11.81	11,759,032	15.10	15,032,020	3,272,987
34		"Reliance One" the first scheme of Reliance Insurance Mutual Fund	843,796	843,796	9.25	7,802,239	11.00	9,281,756	1,479,517
35		Southeast Bank 1st Mutual Fund	789,635	789,635	11.93	9,419,569	14.20	11,212,817	1,793,248
36	<b>Miscellaneous</b>	Bergor Paints Bangladesh Ltd	5,454	5,454	2,105.25	11,482,030	2,063.00	11,251,602	(230,428)
37		IDLC Finance Ltd	155,671	155,671	76.56	11,917,496	85.30	13,278,736	1,361,241
38	<b>NBFI</b>	LankaBangla Finance Ltd	225,046	150,364	44.31	9,971,416	47.80	10,757,199	785,783
39		Investment Corporation of Bangladesh Limited	10,500	10,000	170.88	1,794,275	160.00	1,680,000	(114,275)
40		Active Fine Chemicals Limited	282,645	282,645	39.27	11,099,033	35.20	9,949,104	(1,149,929)
41		Beximco Pharmaceuticals Ltd	75,190	75,190	107.66	8,095,183	103.80	7,804,722	(290,461)
42	<b>Pharmaceutical</b>	Reckitt Benckiser (Bd) Ltd	335	335	1,700.05	569,517	1,776.20	595,027	25,510
43		Renata Limited	14,727	14,727	1,010.24	14,877,763	1,124.20	16,556,093	1,678,330
44		Square Pharmaceuticals Ltd	150,588	150,588	237.20	35,719,799	301.80	45,447,458	9,727,659
45	<b>Tannery</b>	Bata Shoe Company (Bangladesh) Limited	12,262	12,262	1,148.42	14,081,877	1,171.80	14,368,612	286,734
46	<b>Telecom</b>	Bangladesh Submarine Cable Company Limited	41,857	41,857	119.79	5,014,173	103.10	4,315,457	(698,716)
47		Grameenphone Ltd	19,613	19,613	417.50	8,188,368	470.80	9,233,800	1,045,432
48		Evince Textiles Limited	152,020	152,020	20.72	3,149,235	16.40	2,493,128	(656,107)
49	<b>Textile</b>	Familytex (BD) Limited	157,972	150,450	18.21	2,876,104	7.60	1,200,587	(1,675,517)
50		Metro Spinning Ltd	19,980	19,980	14.43	288,248	11.50	229,770	(58,478)
51		Square Textile Ltd	30,149	30,149	72.64	2,189,968	64.00	1,929,536	(260,432)
	<b>Securities not yet listed</b>	Oimex Electrode Limited		46,875	10.00	468,750		468,750	-
		Nahee Aluminium Ltd		14,423	10.00	144,230		144,230	-
		<b>Total</b>				<b>311,085,921</b>		<b>318,383,006</b>	<b>7,910,064</b>
									<b>7,910,064</b>

