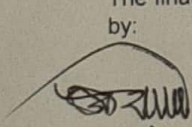
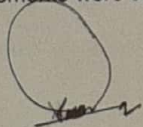


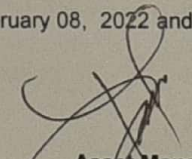
**Prime Finance Second Mutual Fund**  
**Statement of Financial Position**  
As at December 31, 2021

Particulars	Notes	Restated	
		Amount in Taka 'December 31, 2021	Amount in Taka December 31, 2020
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Preliminary expenses	4.00	4,688,878	6,798,942
		<u>4,688,878</u>	<u>6,798,942</u>
<b>Current Assets</b>			
Investment in securities at market price	5.00	213,042,472	187,003,778
Receivables	6.00	3,617,834	2,993,087
Other assets	7.00	395,903	85,000
Investment in IPO		22,034,500	-
Short term investment	8.00	20,000,000	20,000,000
Cash and cash equivalents	9.00	20,302,239	26,227,238
		<u>279,392,948</u>	<u>236,309,103</u>
<b>Total assets</b>		<u><b>284,081,826</b></u>	<u><b>243,108,045</b></u>
<b>EQUITY</b>			
Capital fund	12.00	211,065,340	211,350,340
Retained earnings	13.00	71,898,332	29,572,253
		<u>282,963,672</u>	<u>240,922,594</u>
<b>Current Liabilities</b>			
Accounts payable	10.00	893,543	1,974,182
Other liabilities	11.00	224,611	211,269
Unclaimed dividend		-	-
		<u>1,118,154</u>	<u>2,185,451</u>
<b>Total Equity &amp; Liabilities</b>		<u><b>284,081,826</b></u>	<u><b>243,108,045</b></u>
<b>Net Asset Value (NAV) per unit:</b>			
<b>At cost price</b>	14.00	<b>14.32</b>	<b>12.89</b>
<b>At market price</b>	15.00	<b>13.46</b>	<b>11.40</b>

The accounting policies and other explanatory notes form an integral part of these financial statements.

The financial statements were approved by the Board of Trustee on February 08, 2022 and signed on its behalf by:

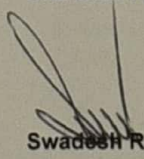
  
  
**Trustee**  
Investment Corporation of Bangladesh

  
**Asset Manager**  
Prime Finance Asset Management Co. Ltd.

Signed in terms of our separate report of even date.

**Malek Siddiqui Wali**  
Chartered Accountants

**Dated: Dhaka**  
February 08, 2022  
Data Verification Code (DVC) No.

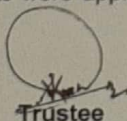
  
**Swadesh Ranjan Saha, FCA**  
Enrolment No: 0718  
DVC: 2202130718AS384238

**Prime Finance Second Mutual Fund**  
**Statement of Profit or Loss and Comprehensive Income**  
For the year ended on December 31, 2021

Particulars	Notes	Restated	
		Amount in Taka January 01, 2021 to December 31, 2021	Amount in Taka January 01, 2020 to December 31, 2020
<b>INCOME</b>			
Capital gains on sale of securities	Annexure - 2	29,929,395	3,752,653
Interest income	16.00	1,880,683	1,733,058
Dividend	Annexure - 3	7,400,783	5,260,938
Interest on debentures / bonds		230,490	274,366
Realized gain from transaction of unit		-	29,132,999
<b>Total income</b>		<b>39,441,351</b>	<b>40,154,014</b>
<b>EXPENSES</b>			
Management fees		5,210,859	5,632,407
Preliminary and issue expenses		2,110,063	2,115,845
Annual fees		212,555	211,350
Advertisement expenses		223,583	138,253
Custodian fees		195,475	175,173
Trustee fees		248,043	179,612
CDBL charges		74,376	44,034
Audit fees		34,500	34,500
IPO Charges		29,000	42,000
Bank charges		69,057	93,198
Fees and commissions		601,211	661,970
Realized loss from transaction of unit		347,000	-
<b>Total expenses</b>		<b>9,355,722</b>	<b>9,328,342</b>
<b>Net profit/(loss) before provision (A - B)</b>		<b>30,085,629</b>	<b>30,825,672</b>
Provision		-	-
Reversal of provision against marketable investment	17.00	12,240,449	39,040,704
<b>Net profit for the period</b>		<b>42,326,078</b>	<b>69,866,376</b>
<b>Earning Per Unit</b>			
Earning Per Unit based on distributable profit	18.00	2.01	3.31
Earning Per Unit based on profit attributable to the shareholders	18.00	2.01	3.31

The accounting policies and other explanatory notes form an integral part of these financial statements.

The financial statements were approved by the Board of Trustee on February 08, 2022 and signed on its behalf by:

Investment Corporation of Bangladesh

Asset Manager  
Prime Finance Asset Management Co. Ltd.

Signed in terms of our separate report of even date.

**Malek Siddiqui Wali**  
Chartered Accountants

**Swadesh Ranjan Saha, FCA**  
Enrolment No: 0718  
DVC: 2202130718AS384238

Dated: Dhaka  
February 08, 2022  
Data Verification Code (DVC) No.

**Prime Finance Second Mutual Fund**  
**Statement of Changes in Equity**  
For the year ended on December 31, 2021

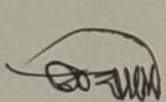
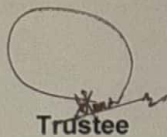
Particulars	Amount in Taka	Amount in Taka	Amount in Taka
	Capital Fund	Retained Eaning	Total Equity
Opening Balance	211,350,340	29,572,254	240,922,595
Surrendered by unit holders	(285,000)	-	(285,000)
Transferred to unit transaction reservw	-	-	(33,779,140)
Transferred from unit transaction reserve	-	-	33,779,140
Net profit of the period	-	42,326,078	42,326,078
<b>Closing Balance</b>	<b>211,065,340</b>	<b>71,898,332</b>	<b>282,963,672</b>

**Prime Finance Second Mutual Fund**  
**Statement of Changes in Equity**  
For the year ended on December 31, 2020

Particulars	Amount in Taka	Amount in Taka	Amount in Taka	Amount in Taka
	Capital Fund	Unit Transaction Reserve	Retained Eaning	Total Equity
Opening Balance	393,950,340	4,646,141	(44,940,263)	353,656,218
Prior year adjustment (20.00)	-	(4,646,141)	4,646,141	-
<b>Restated opening balance</b>	<b>393,950,340</b>	<b>-</b>	<b>(40,294,122)</b>	<b>353,656,218</b>
Surrendered by unit holders	(182,600,000)	-	-	(182,600,000)
Net profit for the year	-	-	69,866,376	69,866,376
<b>Closing Balance</b>	<b>211,350,340</b>	<b>-</b>	<b>29,572,254</b>	<b>240,922,595</b>

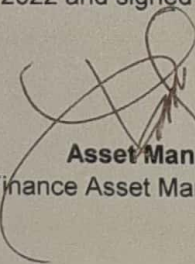
The accounting policies and other explanatory notes form an integral part of these financial statements.

The financial statements were approved by the Board of Trustee on February 08, 2022 and signed on its behalf by:

**Trustee**

Investment Corporation of Bangladesh

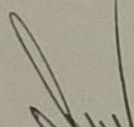


**Asset Manager**

Prime Finance Asset Management Co. Ltd.

Signed in terms of our separate report of even date.

**Malek Siddiqui Wali**  
Chartered Accountants



**Swadesh Ranjan Saha, FCA**  
Enrolment No: 0718  
DVC: 2202130718AS384238

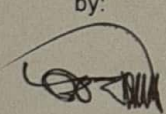
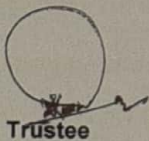
**Dated: Dhaka**  
February 08, 2022  
Data Verification Code (DVC) No.

**Prime Finance Second Mutual Fund**  
**Statement of Cash Flows**  
For the year ended on December 31, 2021

Particulars	Amount in Taka	Amount in Taka
	January 01, 2021 to December 31, 2021	January 01, 2020 to December 31, 2020
<b>Cash flows from operating activities:</b>		
Capital gains on sale of securities	29,929,395	3,752,653
Interest received	1,800,270	16,539,988
Dividend received	6,776,036	4,196,785
Cash paid for operating expenses	(7,896,899)	(8,936,114)
Cash received from transaction of unit	(347,000)	29,132,999
Bank charges	(69,057)	(93,198)
<b>Net cash from operating activities (A)</b>	<b>30,192,745</b>	<b>44,593,113</b>
<b>Cash flows from investing activities</b>		
Cash used in investment in securities	(13,798,244)	46,466,649
Cash received from/(used in) Investment in IPO	(22,034,500)	1,502,340
Cash received from/(used in) Investment in FDR	-	60,000,000
<b>Net cash used in investing activities (B)</b>	<b>(35,832,744)</b>	<b>107,968,989</b>
<b>Cash flows from financing activities:</b>		
Capital fund	(285,000)	(182,600,000)
<b>Net cash generated from/(used in) financing activities ( C )</b>	<b>(285,000)</b>	<b>(182,600,000)</b>
<b>Net increase in cash and cash equivalents (D=A+B+C)</b>	<b>(5,924,999)</b>	<b>(30,037,898)</b>
<b>Opening cash and cash equivalents (E)</b>	<b>26,227,238</b>	<b>56,265,135</b>
<b>Closing cash and cash equivalents (F=D+E):</b>	<b>20,302,239</b>	<b>26,227,238</b>
<b>Net Operating Cash Flow Per Unit (NOCFPU)</b>	<b>1.43</b>	<b>2.10</b>

The accounting policies and other explanatory notes form an integral part of these financial statements.

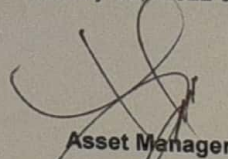
The financial statements were approved by the Board of Trustee on February 08, 2022 and signed on its behalf by:

**Trustee**

Investment Corporation of Bangladesh

Signed in terms of our separate report of even date.



**Asset Manager**

Prime Finance Asset Management Co. Ltd

**Malek Siddiqui Wali**  
Chartered Accountants

**Swadesh Ranjan Saha, FCA**  
Enrolment No: 0718  
DVC: 2202130718AS384238

**Dated: Dhaka**  
February 08, 2022  
Data Verification Code (DVC) No.

**Prime Finance Second Mutual Fund**  
**Notes to the Financial Statements**  
As at and for the year ended on December 31, 2021

**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 International Accounting Standards (IASs) and International Financial Reporting Standards (IFRS) and as per requirements of the Securities and Exchange Commission (Mutual Fund) Rules, 2001 and other applicable laws and regulations.

**2.2 Basis of measurement**

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

**2.3 Functional currency and presentation currency**

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 from January 01, 2021 to December 31, 2021.

**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:

$$\text{Total NAV} = \text{VA} - \text{VL}$$

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

VA = Value of all securities in vault + Value of all securities placed in lien + Cash in hand and at bank + Value of all securities receivables + receivables of proceeds of sale of investments + Dividend receivables net of tax + Interest receivables net of tax + Issue expenses amortized as on date + Printing, publication and stationery expenses amortized as on date.

VL = Value of all securities payable + Payable against purchase of investments + Payable as brokerage and custodial charges + Payable as Trustee fees + All other payable related to printing, publication and stationery + Accrued deferred expenses with regard to management fee, annual fee, audit fee and safe keeping fee.

### 3.3 Cash and cash equivalents

Cash and cash equivalents comprise cash 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.

#### 3.6.4 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:

Slab	Rate of fees
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%

### 3.7 Cash flow statement

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

### 3.8 Deviation from standard

As per paragraph 69 of IAS-38, any start-up, pre-opening, and pre-operating costs must be charged to expense when incurred. But as per Securities and Exchange Commission (Mutual Fund) Rules 2001, the company may be deferred preliminary expenses, development cost to future periods. Under this circumstances management have decided to follow Securities and Exchange Commission (Mutual Fund) Rules 2001 and amortize preliminary expenses and pre-operating expenses among seven years.

**Prime Finance Second Mutual Fund**  
**Notes to the Financial Statements**  
As at and for the year ended on December 31, 2021

	Amount in Taka December 31, 2021	Amount in Taka December 31, 2020
<b>4.00 Preliminary expenses</b>		
Formation fees-Preliminary	1,056,961	1,530,905
Advertisement - Preliminary	279,361	411,509
CDBL charge-Preliminary	39,153	56,795
Management Fee-Preliminary	3,274,777	4,743,197
Printing and stationery-Preliminary	20,509	30,255
Other Expenses-Preliminary	18,117	26,280
<b>Total</b>	<b>4,688,878</b>	<b>6,798,941</b>
Movement of preliminary expenses is given below:		
Opening balance	6,798,942	8,914,787
Less: Written off during the period	2,110,061	2,115,845
<b>Closing balance</b>	<b>4,688,881</b>	<b>6,798,942</b>
<b>5.00 Investment at market price</b>		
Investment in shares at cost price      Annexure - 1	215,148,344	206,279,912
Investment in open ended mutual fund at cost price	17,125,260	12,195,447
Less: Provision for unrealized loss	(19,231,132)	(31,471,581)
<b>Total investment</b>	<b>213,042,472</b>	<b>187,003,778</b>
<b>6.00 Receivables</b>		
Receivable from:		
ACMELAB-Cash dividend	89,502	119,682
ACTIVEFINE	19,146	
AMCL(PRAN)-Cash dividend	-	1,600
BARKAPOWEE-Cash dividend	198,326	110,294
BBS Cables-Cash dividend	100,708	48,371
BMPL	40,560	
CONFIDCEM-Cash dividend	60,098	-
DESCO-Cash dividend	156,179	118,908
ESQUIRENET-Cash dividend	120,626	68,126
EPGL	35,000	
ETL	29,132	
IFADAUTOS-Cash dividend	53,955	22,986
IFIC1STMF-Cash dividend	284,106	284,106
NPOLIMAR	40,000	
PREMIERCEM-Cash dividend	57,600	2,310
RUNNERAUTO-Cash dividend	56,043	13,543
SKTRIMS	15,000	
SSSTEEL	10,000	
SQUARETEXT-Cash dividend	103,312	31,656
SQURPHARMA-Cash dividend	376,254	703,698
UPCL	365,942	
KPCL-Cash dividend	-	6,800
MJLBD-Cash dividend	618,794	535,536
OLYMPIC-Cash dividend	358,430	296,275
PADMAOIL-Cash dividend	211,200	211,200
RENATA-Cash dividend	217,921	253,414
SPCL-Cash dividend	-	131,230
SEAPEARL-Cash dividend	-	552
SUMITPOWER-Cash dividend	-	32,800
<b>Total</b>	<b>3,617,834</b>	<b>2,993,087</b>
<b>7.00 Other assets</b>		
Accrued interest on FDR and STD Account	395,903	85,000
<b>Total</b>	<b>395,903</b>	<b>85,000</b>



Amount in Taka	Amount in Taka
December 31, 2021	December 31, 2020

#### 8.00 Short term investment

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

FDR No.	Interest Rate	Issue Date	Expire Date	Amount in Taka	Amount in Taka
DBHFCL: 71000192580	5.75%	08.12.2021	08.06.2022	10,000,000	10,000,000
LANKABAFIN: 00019	6.25%	07.12.2021	07.06.2022	10,000,000	10,000,000
<b>Total</b>				<b>20,000,000</b>	<b>20,000,000</b>

#### 9.00 Cash and cash equivalents

Cash at bank (BRAC Bank Ltd., A/C No. 1505201944161001)	6,911,597	4,308,606
Cash at bank (BRAC Bank Ltd., A/C No. 1505201944161004)	559,179	7,238,011
Cash at bank (BRAC Bank Ltd., A/C No. 1505201944161003)	447,942	446,599
Cash at bank (BRAC Bank Ltd., A/C No. 1505201944161005)	1,041,618	1,044,963
Cash at BO Account	11,341,903	13,189,059
<b>Total</b>	<b>20,302,239</b>	<b>26,227,238</b>

#### 10.00 Accounts payable

Payable management fees	475,368	1,764,509
Payable custodian fees	101,132	175,173
Payable trustee fees	248,043	-
Audit fees payable	69,000	34,500
<b>Total</b>	<b>893,543</b>	<b>1,974,182</b>

#### 11.00 Other liabilities

Tax deducted at source	20,347	20,000
VAT deducted at source	204,264	191,269
<b>Total</b>	<b>224,611</b>	<b>211,269</b>

#### 12.00 Capital fund

Particulars	No. of Unit	Face Value Per Unit	Amount in Taka	Amount in Taka
Subscribed by Resident Bangladeshis	19,106,534	10.00	191,065,340	191,350,340
Subscribed by Sponsor	2,000,000	10.00	20,000,000	20,000,000
<b>Total</b>	<b>21,106,534</b>		<b>211,065,340</b>	<b>211,350,340</b>

#### 13.00 Retained earnings

Opening balance	29,572,253	(44,940,264)
Prior year adjustment (20.00)	-	4,646,141
<b>Restated opening balance</b>	<b>29,572,253</b>	<b>(40,294,123)</b>
Net profit for the period	42,326,078	69,866,376
<b>Closing balance</b>	<b>71,898,331</b>	<b>29,572,253</b>

#### 14.00 Net Asset Value (NAV) Per Unit (At Cost Price)

Total assets	284,081,826	243,108,045
Less: Total liabilities	(1,118,154)	(2,185,451)
<b>Net asset value at market price</b>	<b>282,963,672</b>	<b>240,922,594</b>
Add: Provision for erosion in value of investment	19,231,132	31,770,267
<b>Net asset value at cost price (A)</b>	<b>302,194,804</b>	<b>272,692,861</b>
Number of units (B)	21,106,534	21,135,034
<b>NAV per unit at cost price (A/B)</b>	<b>14.32</b>	<b>12.89</b>

#### 15.00 Net Asset Value (NAV) Per Unit (At Market Price)

Total assets	284,081,826	243,108,045
Number of units	21,106,534	21,135,034
<b>NAV per Unit at Market Value</b>	<b>13.46</b>	<b>11.40</b>

	Amount in Taka December 31, 2021	Amount in Taka December 31, 2020
<b>16.00 Interest income</b>		
Interest on FDR	1,269,403	1,007,743
Interest on STD Account	611,280	725,315
Total	<u>1,880,683</u>	<u>1,733,058</u>
<b>17.00 Write back of provision against diminution in value of securities</b>		
Provision recognized at the beginning of the year	31,471,581	31,471,581
Provision required as at 31 December	(19,231,132)	(70,512,285)
Write back of provision	<u>12,240,449</u>	<u>39,040,704</u>
<b>18.00 Earning per unit</b>		
Distributable profit	42,326,078	69,866,376
Total Weighted number of units	21,106,534	21,135,034
Earning Per Unit based on distributable profit	<u>2.01</u>	<u>3.31</u>
Profit / (Loss) attributable to the shareholders	42,326,078	69,866,376
Total Weighted number of units	21,106,534	21,135,034
Earning Per Unit based on profit attributable to the shareholders	<u>2.01</u>	<u>3.31</u>

**19.00 Event after balance sheet date**

The Board of Trustee of the Fund has approved cash dividend at the rate of 16% i.e., Taka 1.60 (Taka one and paisa sixty) only per unit for the year ended 31 December 2021 at the Meeting held on February 08, 2022.

**20.00 Restated statement (Prior year adjustment)**

The unit issue/redemption premium gain or loss was recognised directly in equity under the head of "Unit transaction reserve". During the year, the Fund management has changed this presentation policy to present the unit issue/redemption gain or loss in the face of profit or loss statement. Considering this fact, the comparative financial statement has also been restated and cumulative balance of "Unit Transaction Reserve account" at the beginning of the comparative period is transferred from the "Unit Transaction Reserve account" to Retained Earnings through the Statement of Changes in Equity as per IAS-8.

## 21.00 Related party transaction:

The mutual fund, in normal course of business, carried out a number of transactions with other entities that fall within the definition of related party contained in International Accounting Standard 24: Related party Disclosures. All transactions involving related parties arising in normal course of business are conducted on an arm's length basis at commercial rates on the same terms and conditions as applicable to the third parties. Details of transaction with related parties and balances with them as at 31st December 2021 were as follows.

Name of the party	Nature of transaction	Opening	Transaction during the year		Closing
			Dr.	Cr.	
Prime Finance Asset Management Co. Ltd.	Management fee	1,764,509	5,210,859	5,632,407	475,368
Investment Corporation of Bangladesh	Custodian fee	175,173	195,475	175,173	101,132
Investment Corporation of Bangladesh	Trustee fee	-	248,043		248,043

## 22.00 Financial risk management

### 22.01 Introduction

The Fund's activities expose it to a variety of financial risks: credit risk, market risk. The Fund's asset management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Fund's financial performance.

This note presents information about the Fund's exposure to each of the risks arising from financial instruments and the Fund's objectives, policies, and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

### 22.02 Carrying amounts of financial instruments by category

The following table shows the carrying amounts of financial instruments by category at the end of the year December 31, 2020:

#### Maturity analysis

Particulars	Current	>30 days	>90 days	>1 year	Total
Cash at bank	20,302,239	-	-	-	20,302,239
Accounts receivable	3,617,834	-	-	-	3,617,834
<b>Balance at December 31, 2020</b>	<b>23,920,073</b>	-	-	-	<b>23,920,073</b>

#### Financial liabilities measured at amortized cost:

Accounts payable	893,543	-	-	-	893,543
Other liabilities	224,611	-	-	-	224,611
<b>Balance at December 31, 2020</b>	<b>1,118,154</b>	-	-	-	<b>1,118,154</b>

### 22.03 Credit risks:

Credit risk is the risk of financial loss to the Fund if a customer or counterparty to financial instruments fails to meet its contractual obligations, and arises principally from cash at bank, marketable investment at market and accounts receivable.

### 22.04 Market risks:

Market risk is the risk that changes in market prices, such as interest rates and other prices will affect the Fund's result or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return on risk.