

**FIRST BANGLADESH FIXED INCOME FUND
INDEPENDENT AUDITORS' REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**



**INDEPENDENT AUDITORS' REPORT
TO THE UNIT HOLDERS
OF
FIRST BANGLADESH FIXED INCOME FUND**

Opinion

We have audited the financial statements of First Bangladesh Fixed Income Fund, which comprise the statement of financial position as at 30 June 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects of the statement of financial position of First Bangladesh Fixed Income Fund as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises all of the information other than the financial statements and our auditor's report thereon.

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

Key Audit Matters:

Key audit matters are those matters that, in the auditors' professional judgment, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Risk	Our response to the risk
<p>Valuation of Investments:</p> <p>The Fund's investment portfolio presented in the Statement of Financial Position at market value Tk. 8,338,335,005 represents 94.04% of the total assets Tk. 8,866,634,506 and at cost</p>	<ul style="list-style-type: none"> Testing the key controls over identification, Measurement and management of valuation risk as well as evaluating the methodologies and input parameters used by the Fund in determining fair values.



<p>value Tk. 8,293,720,947 represents 93.54% of the total assets Tk. 8,866,634,506 as at June 30, 2022. Unrealized gain in Securities and Bond Tk. 44,614,058. This is considered to be the key driver of the Fund's capital and revenue Performance.</p> <p>The market value of financial instruments that are traded in an active market is determined based on quoted market prices.</p> <p>Due to their materiality in the context of the financial statements as a whole, they are considered to be the area which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.</p>	<ul style="list-style-type: none">• Obtained year-end share holding positions from the fund and through directional testing assessed the completeness of the report;• Obtained the CDBL report and share portfolio and cross checked against each other to confirm status of financial instruments;• The market value per share of investment made in each company has been agreed to the DSE website.• Assessing the adequacy of the disclosures in the financial statements against relevant accounting standards, the security and exchange Rules 1987, security exchange commission (Mutual Fund) Rules 2001 and other applicable laws and regulations.
<p>Note no. 5.00 & 6.00 to the financial statements</p>	
<p>Dividend from investment:</p> <p>Dividend from investment Tk.268,745,133 constitutes the majority portion 31.07% of the income generated from the fund.</p>	<p>We have tested the design and operating effectiveness of controls around the due and receivable recording process</p> <ul style="list-style-type: none">• Comparing observable inputs against independent sources and externally available market data.• Re-performing the calculations used to check Accuracy and correctness of information.• Assessing the adequacy revenue recognition, measurement and disclosures made in relation to the income in the financial statements
<p>Note no. 16.00 to the financial statements</p>	
<p>Liabilities for expenses:</p> <p>This account represents the Liabilities for expense Tk. 6,299,491 balance payable to third parties throughout the next fiscal year. Some provisions, such as management fee and other fee, have lent to the fund. The rest are accounted for as vendors/suppliers and accrued liabilities.</p>	<p>We have tested the design and operating effectiveness of controls around the due and provisions recording process. We carried out the following audit procedures:</p> <ul style="list-style-type: none">• Obtained the provisions register and tested for completeness of credits recorded in the register on a sample basis.• Obtained a sample of bill payable recording process and cross check it with ledger.• Obtained a sample of provision create process and cross checked those against respective ledger balances and in case of discrepancy carried out further investigation.• Obtained and discussed with management about their basis for provision and challenged their provision creation where appropriate.• Reviewed on a sample basis payment calculations owed to regulatory bodies. <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.</p>
<p>Note no. 11.00 to the financial statements</p>	
<p>Advance, Deposit & Prepayments:</p> <p>The fund has types of advance, deposit & prepayments Tk. 16,295,595 such as BSEC,</p>	<p>We have tested the maintaining effectiveness of the advance deposit and assets position held by the Fund from trusted sources. Additionally, we performed the following:</p> <ul style="list-style-type: none">• Obtain BSEC, DSE, CSE, AIT, Advance trustee fee- ICB & CDBL annual fees and went through the terms



DSE, CSE, AIT, Advance trustee fee-ICB & CDBL annual fees,	and conditions of the agreement and assess imply able amount for advances. <ul style="list-style-type: none">• Finally, assessed the appropriateness and presentation of disclosures against relevant accounting standards, the security and exchange Rules 1987, security exchange commission (Mutual Fund) Rules 2001 and other applicable laws and regulations.
Note no. 10.00 to the financial statements	

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, Bangladesh Securities & Exchange Commission (Mutual Fund) Rule, 2001, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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





our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

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

Report on other Legal and Regulatory Requirements

In accordance with the Bangladesh Securities & Exchange Commission (Mutual Fund) Rule, 2001, we also report the following:

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) 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;
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.
- d) the investment was made as per Rule 56 of Bangladesh Securities & Exchange Commission (Mutual Fund) Rule, 2001,
- e) the expenditure incurred and payments made were for the purpose of the Fund Business; and
- f) the information and explanation required by us have been received and fund satisfactory.

Place: Dhaka,
Dated: 14 August, 2022

Md. Iqbal Hossain FCA
Partner, Enrolment No. (596) ICAB

Zoha Zaman Kabir Rashid & Co.
Chartered Accountants
DVC No.: 2208240596A126811





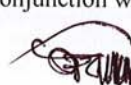
FIRST BANGLADESH FIXED INCOME FUND
Statement of Financial Position
As at June 30, 2022

Particulars	Note	Amount in Taka	
		30-Jun-22	30-Jun-21
A Asset			
Investment in marketable securities-at Fair Value	05	6,392,960,164	5,744,797,694
Investment in non-listed securities-at Fair Value	06	1,945,374,841	2,710,143,519
Cash & cash equivalents	07	420,131,814	417,008,822
Preliminary & Issue Expenses	08	32,342,175	35,668,435
Others Receivable	09	59,529,916	161,352,934
Advance, Deposit & Prepayments	10	16,295,595	15,627,940
Total assets		8,866,634,506	9,084,599,344
B Liabilities			
Liabilities for expenses	11	6,299,491	5,598,320
Unclaimed Dividend	7.01	2,219,808	-
Other liabilities	12	496,159	48,257,655
Total liabilities		9,015,459	53,855,975
C Net assets (A-B)		8,857,619,047	9,030,743,369
D Equity			
Capital Fund	13	7,761,470,280	7,761,470,280
Dividend Equalization & TRR Reserve		511,222,017	511,222,017
Unrealized Gain		44,614,058	439,102,242
Retained Earnings		540,312,692	318,948,831
		8,857,619,047	9,030,743,369
Net Assets Value (NAV)-at Cost	14	8,813,004,989	8,591,641,128
No. of unit		776,147,028	776,147,028
		11.35	11.07
Net Assets Value (NAV)-at Fair Value	14	8,857,619,047	9,030,743,369
No. of unit		776,147,028	776,147,028
		11.41	11.64

These financial statements should be read in conjunction with annexed notes.


Asset Manager

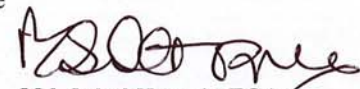
Bangladesh RACE Management PCL



Trustee

Investment Corporation of Bangladesh

See annexed report of the date



Md. Iqbal Hossain FCA
Partner, Enrolment no. 596 (ICAB)

Zoha Zaman Kabir Rashid & Co.
Chartered Accountants



Place: Dhaka
Date: August 14, 2022



FIRST BANGLADESH FIXED INCOME FUND
Statement of Profit or Loss & other Comprehensive Income
For the year ended June 30, 2022

Particulars	Note	Amount in Taka	
		30-Jun-22	30-Jun-21
A INCOME			
Net profit on sale of investment	15	523,810,982	119,950,156
Dividend from investment	16	268,745,133	239,224,888
Financial income	17	72,419,856	178,198,591
Total income		864,975,972	537,373,635
B EXPENDITURE			
Management fees	18	183,295,645	164,600,604
Amortization of preliminary & issue exp.	08	3,326,259	3,326,259
Trustee fees	19	9,165,364	7,592,046
BSEC annual fee	20	7,761,470	7,761,472
CDBL charges	21	1,118,384	651,019
Custodian fees	22	8,788,881	7,636,451
CSE annual fee		600,000	600,000
DSE annual fee		600,000	600,000
Bank charges		386,117	189,821
Audit fee		58,500	45,000
Expenses for Capital Market Stabilization Fund	23	333,396	-
Printing publication & IPO expenses		850,131	450,103
Total expenditure		216,284,148	193,452,776
Profit before Provision (A-B)		648,691,824	343,920,859
(Total Provision for VAT, Tax and writeoff)/ write back against erosion of fair value		(116,869,152)	1,152,130,202
Net Profit after Provision transferred to retained earnings		531,822,672	1,496,051,061
Other Comprehensive Income:			
Unrealized gain/(loss)		(394,488,184)	-
Total Profit or Loss and Other Comprehensive Income		137,334,489	1,496,051,061
Earnings per unit (EPU) for the year	24	0.69	1.93

These financial statements should be read in conjunction with annexed notes.


Asset Manager

Bangladesh RACE Management PCL




Trustee

Investment Corporation of Bangladesh

See annexed report of the date

Place: Dhaka

Date: August 14, 2022




Md. Iqbal Hossain FCA

Partner, Enrolment no. 596 (ICAB)

Zoha Zaman Kabir Rashid & Co.

Chartered Accountants

A member of



Independent legal & accounting firms

**FIRST BANGLADESH FIXED INCOME FUND****Statement of Changes in Equity**

For the year ended June 30, 2022

Amount in Taka

Particular	Unit Capital Fund	Dividend Equalization & TRR Reserve	Unrealized Gain	Retained Earnings	Total Equity
Balance at July 01, 2021	7,761,470,280	511,222,017	439,102,242	318,948,831	9,030,743,369
Dividend for 2020-2021 (Cash)	-	-	-	(310,458,811)	(310,458,811)
Unrealized gain/(loss)	-	-	(394,488,184)	-	(394,488,184)
Net profit for the year	-	-	-	531,822,672	531,822,672
Balance at June 30, 2022	7,761,470,280	511,222,017	44,614,058	540,312,692	8,857,619,047

**Statement of Changes in Equity
For the period ended June 30, 2021**

Particular	Unit Capital Fund	Dividend Equalization & TRR Reserve	Unrealized Gain	Retained Earnings	Total Equity
Balance at July 01, 2020	7,761,470,280	511,222,017	-	(1,177,102,231)	7,095,590,066
Unrealized gain	-	-	439,102,242	-	439,102,242
Net profit for the year	-	-	-	1,496,051,061	1,496,051,061
Balance at June 30, 2021	7,761,470,280	511,222,017	439,102,242	318,948,831	9,030,743,369


Asset Manager
Bangladesh RACE Management PCL


Trustee
Investment Corporation of Bangladesh

See annexed report of the date



Md. Iqbal Hossain FCA
Partner, Enrolment no. 596 (ICAB)

Zoha Zaman Kabir Rashid & Co
Chartered Accountants

Place: Dhaka
Date: August 14, 2022



**FIRST BANGLADESH FIXED INCOME FUND****Statement of Cash Flows
For the year ended June 30, 2022**

Particulars	Amount in Taka	
	30-Jun-22	30-Jun-21
A. Cash flows from operating activities		
Dividend income	236,383,824	258,978,368
Financial income	199,602,595	220,021,999
Net profit on sale of investment	523,810,982	119,950,156
Other operating expenses	(260,685,867)	(167,751,432)
Net cash from operating activities	699,111,533	431,199,091
B. Cash flows from investing Activities		
Net investment in securities	(387,749,539)	(608,627,702)
Net cash from investing Activities	(387,749,539)	(608,627,702)
C. Cash flows from financing activities		
Dividend paid (2020-2021)	(310,458,811)	-
Unclaimed Dividend	2,219,808	-
Net cash from financing activities	(308,239,003)	-
D Net increase/(decrease) in cash and cash equivalents (A+B+C)	3,122,992	(177,428,611)
E Opening Cash & Cash Equivalents	417,008,822	594,437,433
F Closing Cash & Cash Equivalents (D+E)	420,131,814	417,008,822
Net Operating Cash Flow Per Unit (NOCFPU)	0.90	0.56

Asset Manager

Bangladesh RACE Management PCL

Trustee

Investment Corporation of Bangladesh

See annexed report of the date

Md. Iqbal Hossain FCA

Partner, Enrolment no. 596 (ICAB)

Zoha Zaman Kabir Rashid & Co
Chartered Accountants

Place: Dhaka

Date: August 14, 2022





FIRST BANGLADESH FIXED INCOME FUND

Notes to the Accounts

For the year ended 30th June 2022

1. The fund and legal status

FIRST BANGLADESH FIXED INCOME FUND (hereinafter called as "Fund") was established under a Trust Deed signed on 15 February 2011 between FIRST BANGLADESH FIXED INCOME FUND (FBFIF) as a 'Sponsor' and the Investment Corporation of Bangladesh (ICB) as a "Trustee" under the Trust Act 1882 and Registration Act 1908. The Fund was registered with the Bangladesh Securities and Exchange Commission (BSEC) on 02 March 2011 vide registration code no. SEC/Mutual Fund/2010/36 under the Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala 2001. The operations of the Fund was commenced on 01 April 2012 by listing with Dhaka and Chittagong Stock Exchanges.

As provided in Trust Deed, Bangladesh RACE Management PCL, an asset management company, is the Fund Manager. Bangladesh RACE Management PCL was incorporated as a private limited company under Companies Act 1994 on March 2008.

First Bangladesh Fixed Income Fund is a close-end Mutual Fund of twenty years' tenure. The objectives of the Fund are to provide regular dividend to the investors by investing the Fund both in capital and money market instruments. The Fund consists of 776,147,028 units of BDT 10 each. The units of the Fund are transferable.

2. Objectives

The objective of First Bangladesh Fixed Income Fund is to provide attractive dividends to its unit-holders by earning superior risk adjusted return from a diversified investment portfolio.

3. Basis of preparation

3.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) and as per requirements of the Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala 2001, Trust Deed and other applicable laws and regulations.

3.2 Basis of measurement

These financial statements have been prepared on a going concern basis under historical cost convention in accordance with generally accepted accounting principles.

3.3 Functional and presentational currency

These financial statements are presented in BDT, which is also the Fund's functional and presentational currency.

3.4 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 recognised 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.



A member of



Independent legal & accounting firms

3.5 Reporting period

These financial statements are prepared for the period from 01 July 2021 to 30 June 2022.

3.6 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 for tax is required.

4. Significant accounting policies

The accounting policies set out below have been applied throughout the period presented in these financial statements.

4.1 Investment policy

The investment policy of the Fund as summarised below has set in accordance with Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala 2001 including amendments if any:

- (i) as per Rule 55 (02) of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala 2001 as amended, at least 60% of total assets of the Fund is to be invested in capital market out of which at least 50% will be in listed securities;
- (ii) as per fifth schedule, no term loan and advance shall be given from mutual fund.
- (iii) as per fifth schedule not more than 10% of total assets of one scheme of a mutual fund shall be invested in one company's share.
- (iv) as per fifth schedule not more than 15% of paid-up capital of a company's share shall be invested from all schemes of a mutual fund.
- (v) as per fifth schedule not more than 20% of one or group of companies' share, debenture or other securities shall be invested from all schemes of a mutual fund.
- (vi) as per fifth schedule not more than 25% in one sector/industry's share, debenture or other securities shall be invested from all scheme of a mutual fund.
- (vii) as per fifth schedule investment or loan from one scheme to another scheme shall not be made under one asset management company
- (viii) as per fifth schedule a mutual fund shall not make any loan for investment purpose
- (ix) as per fifth schedule, no expenses shall be charged in year more than 4% of weekly average NAV annually.
- (x) As per trust deed (clause: 3.2.22) In the event the weighth-age of shares exceed the limits laid down in the Offer Document or in the Bidhimala for the relative movement in the market prices of the investments including subscription of right shares or through any disinvestments, the Asset Management Company shall make its best endeavors to bring the exposure within the prescribed limits within six months of the event. But in any case the Asset Management Company shall not invest further in such Securities or sectors while the deviation exists.

4.2 Valuation of Investment at Fair Value:

Fair Value is a market-based measurement. It is to estimate the price at which an orderly transection to sell the assets or to transfer the liability would take place between market participants at the measurement date under current market condition. As per IFRS-13, First Bangladesh Fixed Income Fund (the fund) adopts the assumption the market participants would use when pricing the assets, including assumptions about risk (a) the risk inherent in a particular valuation technique used to measure fair value (such as pricing model); and (b) the risk inherent in quoted price/input to the valuation technique.





- (i) For Capital Market Securities-Listed:
The Capital Market Securities-Listed are valued at the closing quoted market price only on the Dhaka Stock Exchange on the date of Valuation i.e., on June 30, 2022 as per IFRS-13 Fair Value Measurement, Capital Market Securities-Listed (Mutual Fund) are valued considering the quoted market price and last disclosed NAV on June 30, 2022 by the methodology provided by BSEC vide directive no. SEC/CMRRCD/2009/193/172 dated June 30, 2015.
- (ii) For Capital Market Securities-Non listed:
Capital Market Securities-Non listed (Unit Fund) are valued at the repurchase price which is enforceable on June 30, 2022 declared by respective AMC and this is also a quoted price as per IFRS-13. Capital Market Securities-Non listed (Bond) are valued at fair value by applying the methodology as per IFRS-13 using Present Value technique under Income approach and in compliance with Rules 58 of Securities and Exchange Commission (Mutual Fund) Bidhimala, 2001. For the fiscal year 2021-2022, a provision has been taken against "The Regent Corporate Bond-2015" due to COVID-19 pandemic related uncertainty in timely repayment of the Bond's receivables.
- (iii) For Non-Listed Private Equity -BSEC approved:
The Fund has invested in the equity of two non-listed companies. Both of which are regulated, one of them is regulated by Bangladesh Bank and other is regulated by Bangladesh Securities and Exchange Commission.
The investment in shares of Padma Bank Limited has been approved by BSEC vide letter no. SEC/MF & SPV/MF-02/2009/467 dated May 31, 2012. It's a Bangladesh Bank Regulated entity and going concern. Moreover, Padma Bank Ltd. has investment from Govt. Banks and financial institutions which owns 65% of the total equity of the banks. Therefore, Padma Bank Ltd. is considered a going concern and investment is held at cost. And the investment in Multi Securities and Services Limited has been approved by BSEC vide letter no. SEC/MF & SOV/MF-02/2009/783 dated November 04, 2015. The company is regulated by BSEC and is going concern and has been paying dividend. Using prudence and conservative principal of accounting this investment is also held at cost.

4.3 Dividend Policy

As per Rule 66 of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala 2001 as amended, the Fund is required to distribute its profit in the form of dividend in cash to its unit holders an amount which shall not be less than 70% of annual profit during the year, net off provisions and net of negative retained earnings brought forward balance.

4.4 Cash & cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances and fixed deposits.

4.5 Net asset value calculation

NAV per unit is being calculated using the following formula:

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

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

VA: Value of all securities in vault + Value of all securities placed in lien + Cash in hand and bank balances + Value of all securities receivables + receivables of proceeds of sale of investments + Dividend receivable, net tax + Interest receivable, net of tax + Issue expenses amortised on that date + Printing, publication and stationery expenses amortised on date.

LT: Value of all securities payable + Payable against purchase of investments + Payable as brokerage and custodial charges + Payable as trustee fee + 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.





4.6 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 reporting period. Provision for market unrealised loss shall be made in accordance with the rule 3(d) of 6th schedule and in case of provision write back it shall be vice versa. As per Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rule-2019, the BSEC has introduced concept of Risk Based Capital Adequacy to the capital market and in relation there is a requirement to build up Total Risk Requirement (TRR). As AMC, Bangladesh RACE Management PCL has built up adequate TRR on Balance Sheet as prudent risk management. Further in interest of unitholders the dividend equalization reserve may be used to enhance a period's dividend payout using this reserve built up in previous period.

4.7 Revenue recognition

Gains/losses arising on sale of investment are included in the Profit and Loss Statement on the date at which the transaction takes place. Dividend and interest income are recognised as per IAS-18 and Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala 2001.

4.8 Statement of cash flows

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





FIRST BANGLADESH FIXED INCOME FUND

**Notes to the Financial Statements
For the year ended June 30, 2022**

		Amount in Taka	
		30-Jun-22	30-Jun-21
05.00	Investment in marketable securities-at Fair Value		
	Capital Market Securities-Listed	05.01	
		6,392,960,164	5,744,797,694
		<u>6,392,960,164</u>	<u>5,744,797,694</u>

05.01 Capital Market Securities-Listed:

Sector	Amount in Taka				
	No of Shares	Cost value	Fair Values As on June 30, 2022	Required (Prov.)/ Excess	Fair Values As on June 30, 2021
Bank	138,200,304	2,415,084,056	2,412,149,445	(2,934,612)	2,228,131,739
Cement	176,720	89,515,749	36,846,120	(52,669,629)	56,249,976
Corporate Bond	-	-	-	-	-
Engineering	3,807	670,717	619,399	(51,318)	10,980,144
Food and Allied	824,393	443,774,386	410,958,192	(32,816,193)	266,525,650
Fuel and Power	2,220,167	157,385,963	137,975,640	(19,410,323)	205,711,054
Insurance	265,862	22,098,692	16,595,787	(5,502,906)	36,013,687
Miscellaneous	894,398	250,001,702	245,428,608	(4,573,094)	335,236,532
Mutual Funds	20,527,700	190,374,789	184,728,771	(5,646,018)	178,277,256
NBFI	5,101,968	303,388,433	233,803,112	(69,585,322)	352,901,586
Pharma	5,070,333	1,925,028,843	2,255,688,982	330,660,139	1,638,523,309
Tannery	134,291	99,193,255	84,529,116	(14,664,139)	56,488,444
Telecommunication	1,270,442	466,595,233	373,636,992	(92,958,241)	379,758,318
Total	174,690,385	6,363,111,820	6,392,960,164	29,848,344	5,744,797,694

06.00 Investment in non-listed securities-at Fair Value

	Capital Market Securities-Unit Fund and Bond	06.01	1,522,765,714	2,287,534,388
	Non-Listed Private Equity-BSEC approved	06.02	422,609,127	422,609,130
			<u>1,945,374,841</u>	<u>2,710,143,519</u>

06.01 Capital Market Securities-Non Listed:

Particulars	Amount in Taka			
	Cost value	Fair Values As on June 30, 2022	Required (Prov.)/ Excess	Fair Values As on June 30, 2021
1st ICB Unit Fund	-	-	-	2,582,227
2nd ICB Unit Fund	-	-	-	3,263,468
3rd ICB Unit Fund	-	-	-	2,572,482
4th ICB Unit Fund	-	-	-	1,711,864
5th ICB Unit Fund	-	-	-	3,038,480
6th ICB Unit Fund	-	-	-	669,327
7th ICB Unit Fund	-	-	-	11,124,610
8th ICB Unit Fund	-	-	-	1,305,174
ICB AMCL SECOND NRB UNIT FUND	-	-	-	11,171
HFAML Unit Fund	3,000,000	3,598,570	598,570	3,573,629
HFAML Shariah Unit Fund	20,000,000	19,420,001	(579,999)	-
Capital Market Securities-Non Listed- Unit Fund	23,000,000	23,018,571	18,571	29,852,431





Amount in Taka				
Investment in Non-Listed Securities (Bond)				
			30-Jun-22	30-Jun-21
Best Holding Ltd. Convertible Bond	936,000,000	936,000,000	-	1,032,211,440
Regent Spinning Mills Corporate Bond-2015	140,000,000	140,000,000	-	264,000,000
Premier Bank Ltd. Corporate Bonds	409,000,000	423,747,142	14,747,142	961,470,517
Capital Market Securities-Non Listed- Bond	1,485,000,000	1,499,747,142	14,747,142	2,257,681,957
Total of Unit Fund and Bond	1,508,000,000	1,522,765,714	14,765,714	2,287,534,388

06.02 Non-Listed Private Equity -BSEC approved:

Particulars	Amount in Taka			
	Cost value	Fair Values As on June 30, 2022	Required (Prov.)/ Excess	Fair Values As on June 30, 2021
Padma Bank Ltd.	255,555,557	255,555,557	-	255,555,560
Multi Securities & Services Ltd.	167,053,570	167,053,570	-	167,053,570
Total of Non-Listed Private Equity - BSEC approved:	422,609,127	422,609,127	-	422,609,130
Net Provision Taken (5.01+6.01+6.02)			44,614,058	439,102,242

07.00 Cash and Cash Equivalents :

SND & Operational Account:

EXIM Bank Ltd.-160100503046	-	43,902,087
IFIC Bank Ltd.-1148142/1203456111201	21,471,241	20,329,857
Padma Bank-0132200389124	-	130,000,000
Padma Bank-0210641/0113500360819	-	22,831,868
BRAC Bank Ltd.-1526202236300003	77,851	78,196
Dhaka Bank Ltd.-2011520000068	36,872,100	-
Eastern Bank Ltd.-1011320165124	15,671,424	10,669,610
EXIM Bank Ltd.-0011310464648	-	-
Janata Bank Ltd.-004001452	61,415	61,049
One Bank Ltd.-0123000000744	165,104,037	434,373
Southeast Bank Ltd.- 0083-13100000007	106,622,936	143,664,534
Padma Bank Ltd.-0113000164453)	21,240	12,767,700
Padma Bank Ltd.-0113000154890	52,920,916	10,223,653
Padma Bank Ltd.-0113000268535	60,849	2,953,056
Premier Bank Ltd.- 104136000000009	17,751,487	17,767,637

IPO & Dividend Accounts:

Eastern Bank Ltd.-1011360200575	-	28,217
Southeast Bank Ltd.-8313100000195	-	-
Southeast Bank Ltd.-8313100000140	-	323,252
Southeast Bank Ltd.-13100000258	-	195,406
Southeast Bank Ltd-0083 13100000045	-	-
One Bank Ltd.-0123000001255	-	-
Bank Asia Ltd.-04936000133	675	177,945
Bank Asia Ltd.-04936000144	1,616,807	1,603,924
Bank Asia Ltd.-04936000159	1,878,835	-

Unclaimed Cash Dividend from Previous Periods	07.01	-
		417,008,822
		420,131,814


 14



		Amount in Taka	
		30-Jun-22	30-Jun-21
07.01 Unclaimed Cash Dividend:			
Year 2020-2021		1,878,835	-
Year 2018-2019		340,298	327,415
Year 2017-2018		675	175,564
Year 2016-2017		-	184,187
Year 2015-2016		-	-
Year 2014-2015		-	289,939
Year 2013-2014		-	-
Year 2012-2013		-	-
Year 2010-2011		-	26,439
		2,219,808	1,003,544
08.00 Preliminary & Issue Expenses :			
Opening Balance		35,668,435	38,994,694
Amortization of during the period		3,326,259	3,326,259
		32,342,175	35,668,435
09.00 Other Receivables:			
Receivable from Brokerhouse		11,522,179	18,523,768
Dividend Receivable	09.01	42,281,331	9,920,021
Interest Receivable		5,726,406	132,909,145
		59,529,916	161,352,934
09.01 Dividend Receivable:			
AB Bank Limited		280,918	-
Aftab Automobiles Limited		-	599,680
Bata Shoe Company (BD) Limited		180,793	-
Berger Paints Bangladesh Ltd.		805,780	-
BRAC Bank Ltd.		-	2,387,933
City bank		5,155,994	-
Dhaka Bank Ltd.		980,305	1,331,592
Exim Bank Ltd.		15,006,312	799,799
First Security Islami Bank Ltd.		3,750	-
Heidelberg Cement Bangladesh Ltd.		459,427	353,440
ICB AMCL Second Mutual Fund		-	500
Islami Bank Ltd.		-	2,827,346
MARICO BD. Ltd.		988,160	-
NCC BANK Ltd.		8,365,006	-
One Bank Limited		655,188	1,480,683
Phoenix Financial Ltd.		545,984	-
RAK Ceramics Ltd.		-	55,300
Regent Textile Ltd.		-	10,419
Ratanpur Steel Re-Rolling Mills Limited		-	73,329
Social Islami Bank Ltd		3,310,960	-
Southeast Bank Ltd		494,726	-
Standard Bank Ltd		2,463,923	-
Union Bank Limited		112,169	-
Multi Securities & Services Ltd.		2,471,938	-
		42,281,331	9,920,021





		Amount in Taka	
		30-Jun-22	30-Jun-21
10.00	Advances, Deposits and Prepayments :		
	Advance Income Tax (AIT)	2,299,579	2,179,962
	Security Deposit- CDBL	500,000	500,000
	Prepayments	13,496,016	12,947,978
		<u>16,295,595</u>	<u>15,627,940</u>
10.01	Prepayments :		
	Bangladesh Securities and Exchange Commission (annual fee)	7,761,470	7,761,470
	Investment Corporation of Bangladesh (trustee fee)	5,066,009	4,517,971
	Dhaka Stock Exchange Limited (annual fee)	300,000	300,000
	Chittagong Stock Exchange Limited (annual fee)	300,000	300,000
	Central Depository Bangladesh Limited (annual fee)	68,537	68,537
		<u>13,496,016</u>	<u>12,947,978</u>
11.00	Liabilities for expenses		
	Audit Fee	40,500	40,500
	Management Fee	43,664	-
	Custodian Fee	4,035,037	3,492,630
	CDBL charges and other payable	77,500	77,500
	Payable to Brokerhouse	382,690	382,690
	Printing Publication Expenses	325,100	210,000
	Bankers to the Issue	1,395,000	1,395,000
		<u>6,299,491</u>	<u>5,598,320</u>
12.00	Other Liabilities		
	Other Liabilities (Tax & VAT)	496,159	48,257,655
		<u>496,159</u>	<u>48,257,655</u>
13.00	Capital Fund		
	Size of capital fund		
	776,147,028 units of Taka 10 each	7,761,470,280	7,761,470,280
		<u>7,761,470,280</u>	<u>7,761,470,280</u>
14.00	Net Asset Value (NAV)		
	Total Net Assets Value at Cost	8,813,007,570	8,591,641,128
	Number of unit	776,147,028	776,147,028
	Per Unit NAV at Cost	<u>11.35</u>	<u>11.07</u>
	a.Total Net Assets Value at Cost	8,813,007,570	8,591,641,128
	b. (Unrealised loss) or Unrealised Gain	44,614,058	439,102,242
	Total Net Assets Value at Fair Value (a+b)	<u>8,857,621,628</u>	<u>9,030,743,369</u>
	Number of unit	776,147,028	776,147,028
	Per Unit NAV at Fair Value	<u>11.41</u>	<u>11.64</u>
15.00	Net profit on sale of investment		
	Net Profit on sale of Investment	549,210,632	183,406,279
	Less: Loss on sale of Investment	(25,399,650)	(63,456,123)
		<u>523,810,982</u>	<u>119,950,156</u>
16.00	Dividend from investment		
	Listed securities	256,237,763	232,915,808
	Non-Listed securities	12,507,370	6,309,080
		<u>268,745,133</u>	<u>239,224,888</u>





		Amount in Taka	
		30-Jun-22	30-Jun-21
17.00 Financial Income			
	Interest Income from Bank Accounts & FDR	23,109,310	22,470,829
	Interest Income from Corporate Bonds	49,310,546	155,727,761
		<u>72,419,856</u>	<u>178,198,591</u>
18.00 Management fees		183,295,645	164,600,604
		<u>183,295,645</u>	<u>164,600,604</u>
19.00 Trustee fees		9,165,364	7,592,046
		<u>9,165,364</u>	<u>7,592,046</u>
	Investment Corporation of Bangladesh (ICB) the trustee of the fund is entitled to get an annual trusteeship fee @ 0.10% of the net asset value per annum, payable semi-annually in advance basis during the entire life of the Fund as per Trust Deed.		
20.00 BSEC annual Fee		7,761,470	7,761,472
		<u>7,761,470</u>	<u>7,761,472</u>
	Annual fee paid to BSEC as per Rules 11(1) of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001.		
21.00 CDBL Charges		1,118,384	651,019
		<u>1,118,384</u>	<u>651,019</u>
	CDBL charge paid to Central Depository Bangladesh Limited (CDBL) as per Annex A I of CDBL Bye Laws (3.7).		
22.00 Custodian fees		8,788,881	7,636,451
		<u>8,788,881</u>	<u>7,636,451</u>
	Investment Corporation of Bangladesh (ICB), the custodian of the fund is entitled to receive a safekeeping fee @ 0.10% on the balance of securities calculated on average month end value per annum as per Trust Deed.		
23.00 Expenses for Capital Market Stabilization Fund:		333,396	-
		<u>333,396</u>	<u>-</u>
	In compliance with BSEC Rule-SEC/SRMIC/165-2020/part-1/166 unpaid/ unclaimed dividend with accrued interest has been transferred to BSEC Capital Market Stabilization Fund. This figure had been accrued as income in previous period but balance was not transferred to operation accounts, now full amount of unclaimed dividend and accrued interest transferred to CMSF fund as per new circular.		
24.00 Earnings per unit for the year			
	Net profit for the year (numerator)	531,825,254	1,496,051,061
	Number of units (denominator)	776,147,028	776,147,028
	Earnings per unit	<u>0.69</u>	<u>1.93</u>





Amount in Taka	
30-Jun-22	30-Jun-21

25.00 Events after the reporting period

The Trustee of the Fund has approved dividend for the year ended June 30, 2022 at the rate of 6.00% on the capital fund of Taka 7,761,470,280.00 in the form of cash and the record date will be on September 06, 2022, at the meeting held on August 14, 2022.

26.00 Others

- (i) These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.
- (ii) Figures in these notes and annexed financial statements have been rounded off to the nearest BDT.
- (iii) Figures and names of previous year have been rearranged wherever considered necessary, to conform with the current year's presentation.


Asset Manager

Bangladesh RACE Management PCL



Trustee

Investment Corporation of Bangladesh

Place: Dhaka

Date: August 14, 2022

