

Popular Life First Mutual Fund

Trustee: Bangladesh General Insurance Company Limited

42 Dilkusha Commercial Area

Dhaka 1000

Popular Life First Mutual Fund

Auditors' report and financial statements
for the year ended 30 June 2014

S. F. AHMED & CO

Chartered Accountants

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Popular Life First Mutual Fund

Auditors' Report to the Trustee For the year ended 30 June 2014

We have audited the accompanying financial statements of Popular Life First Mutual Fund (the Fund), which comprise the statement of financial position (balance sheet) as at 30 June 2014, statement of comprehensive income (profit and loss statement), statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Respective responsibilities of management and auditors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards and Bangladesh Accounting 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 misstatements, 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 a 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 prepared in accordance with Bangladesh Financial Reporting Standards and Bangladesh Accounting Standards give a true and fair view of the state of the Fund's affairs as of 30 June 2014 and of the results of its operations and its cash flows for the year then ended 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:

- a. 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;
- 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 (balance sheet) and statement of comprehensive income (profit and loss statement) dealt with by this report are in agreement with the books of account;
- d. the investment was made as per Rule 56 of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001; and
- e. the expenditure incurred and payments made were for the purpose of the Fund's business.

Dhaka, Bangladesh
Dated, 14 August 2014




S. F. AHMED & CO
Chartered Accountants

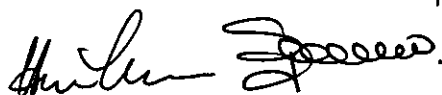
Popular Life First Mutual Fund

Statement of Financial Position (Balance Sheet)
As at 30 June 2014

	Notes	2014 BDT	2013 BDT
Assets			
Investment at cost in marketable securities	5	1,443,130,554	1,289,688,356
Cash and cash equivalents	6	772,701,902	671,654,999
Non-listed securities -at cost	7	235,515,844	355,515,844
Preliminary and issue expenses	8	35,611,761	41,317,321
Other receivables	9	19,132,469	21,193,329
Advance, deposit and prepayment	10	4,809,159	3,107,685
Total asset		2,510,901,689	2,382,477,534
Less: Liabilities			
Other payables	11	12,572,965	1,549,646
Other liabilities and provisions	12	2,779,350	4,708,263
Total liability		15,352,315	6,257,909
Net asset		2,495,549,374	2,376,219,625
Equity			
Capital fund	13	2,047,214,350	2,000,000,000
Unit premium		2,785,650	-
Retained earnings		352,954,773	58,553,632
Market risk reserve	14	92,594,601	317,665,993
Total equity		2,495,549,374	2,376,219,625
Net Asset Value (NAV) per unit			
	15		
At cost		12.19	11.88
At market price		11.74	10.29

These financial statements should be read in conjunction with annexed notes

for Popular Life First Mutual Fund



Asset Manager
RACE Management PCL

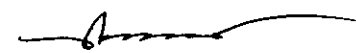


Trustee
Bangladesh General Insurance Company Limited



Dhaka, Bangladesh
Dated, 14 August 2014

See annexed report of the date


S. F. AHMED & CO
Chartered Accountants

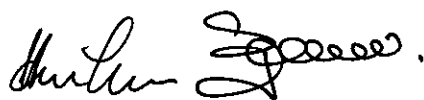
Popular Life First Mutual Fund

Statement of Comprehensive Income (Profit and Loss Statement)
For the year ended 30 June 2014

	Notes	2014 BDT	2013 BDT
Income			
Financial income	16	111,376,775	115,471,954
Dividend from investment		41,230,101	21,702,153
Profit on sale of investment		4,832,995	7,525,903
Total income (A)		157,439,871	144,700,010
Expenditure			
Management fees	17	25,835,762	25,735,757
Amortisation of preliminary expenses		5,646,521	5,654,601
Trustee fees	18	2,338,640	2,275,283
BSEC annual fee	19	2,000,000	2,000,000
CDBL charges	20	499,305	54,318
Custodian fee	21	378,719	595,261
CSE annual fee		218,036	100,000
DSE annual fee		218,035	100,000
Bank charges		103,360	85,203
Audit fee		57,500	57,500
Other operating expenses		814,244	359,338
Total expenditure (B)		38,110,122	37,017,261
Profit before provision (A-B)		119,329,749	107,682,749
Provision for unrealised loss on listed securities		225,071,392	50,741,038
Net profit for the year		344,401,141	158,423,787
Earnings per unit for the year	22	1.68	0.77

These financial statements should be read in conjunction with annexed notes

for Popular Life First Mutual Fund



Asset Manager
RACE Management PCL



Trustee
Bangladesh General Insurance Company Limited



Dhaka, Bangladesh
Dated, 14 August 2014

See annexed report of the date



S. F. AHMED & CO
Chartered Accountants

Popular Life First Mutual Fund

Statement of Changes in Equity

For the year ended 30 June 2014

Particulars	Capital fund		Unit premium		Market risk reserve		Retained earnings		Total equity	
	BDT		BDT		BDT		BDT		BDT	
Balance at 01 July 2012	2,000,000,000		-		368,407,031		(99,870,155)		2,268,536,876	
Net profit for the year	-		-		-		158,423,787		158,423,787	
Market risk reserve	-		-		(50,741,038)		-		(50,741,038)	
Balance at 30 June 2013	2,000,000,000		-		317,665,993		58,553,632		2,376,219,625	
Balance at 01 July 2013	2,000,000,000		-		317,665,993		58,553,632		2,376,219,625	
Dividend paid	-		-		-		(50,000,000)		(50,000,000)	
Net profit for the year	-		-		-		344,401,141		344,401,141	
Unit premium	-		2,785,650		-		-		2,785,650	
Re-investment unit	47,214,350		-		-		-		47,214,350	
Market risk reserve	-		-		(225,071,392)		-		(225,071,392)	
Balance at 30 June 2014	2,047,214,350		2,785,650		92,594,601		352,954,773		2,495,549,374	

for Popular Life First Mutual Fund

[Signature]
Asset Manager
RACE Management PCL

Asset Manager
RACE Management PCL



Dhaka, Bangladesh
Dated, 14 August 2014

[Signature]
Trustee

Trustee
Bangladesh General Insurance Company Limited

See annexed report to the date

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S. F. AHMED & CO
Chartered Accountants

Popular Life First Mutual Fund

Statement of Cash Flows
For the year ended 30 June 2014

	2014 BDT	2013 BDT
Cash flows from operating activities		
Dividend income	35,628,018	20,969,761
Financial income	111,155,576	106,726,564
Advance, deposit and prepayment	(1,701,472)	(370,047)
Other operating expenses	(23,310,158)	(31,201,447)
Net cash from operating activities (A)	<u>121,771,964</u>	<u>96,124,831</u>
Cash flows from investing activities		
Value of listed securities	(154,435,545)	(26,345,804)
Non-listed securities	120,000,000	(285,555,556)
Received from sundry securities	13,710,485	31,642,490
Net cash used in investing activities (B)	<u>(20,725,060)</u>	<u>(280,258,870)</u>
Cash flows from financing activities		
Capital contribution	-	-
Net cash from financing activities (C)	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents (D=A+B+C)	101,046,903	(184,134,039)
Opening cash and cash equivalents (E)	671,654,999	855,789,038
Closing cash and cash equivalents (F = D+E)	<u>772,701,902</u>	<u>671,654,999</u>

for Popular Life First Mutual Fund



Asset Manager
RACE Management PCL



Trustee
Bangladesh General Insurance Company Limited

See annexed report of the date



Dhaka, Bangladesh
Dated, 14 August 2014



S. F. AHMED & CO
Chartered Accountants

Popular Life First Mutual Fund

Notes to financial statements For the year ended 30 June 2014

1. The fund and legal Status

Popular Life First Mutual Fund (hereinafter called as "Fund") was established under a Trust Deed signed on 21 April 2010 between Popular Life Insurance Company Limited as a 'Sponsor' and the Bangladesh General Insurance Company Limited as a "Trustee". The Fund was registered under the Trust Act 1882 as well as under the Bangladesh Securities and Exchange Commission (BSEC) on 29 April 2010 vide Registration code no. SEC/Mutual Fund/2010/22 under the Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001. The operations of the Fund was commenced on 19 October 2010 by listing with Dhaka and Chittagong Stock Exchanges.

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

Popular Life First Mutual Fund is a close-end Mutual Fund of ten 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 204,721,435 units of BDT 10 each. The units of the Fund are transferable.

2. Objectives

The objective of Popular Life First Mutual 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 Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS) and as per requirements of the Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 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.

3.5 Reporting period

These financial statements are prepared for the period from 01 July 2013 to 30 June 2014.

Popular Life First Mutual Fund

Notes to financial statements For the year ended 30 June 2014

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 (Rules) 2001 as amended and any other authorities as required:

- (i) as per Rule 55 (02) of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 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) not more than 25% of total asset of the Fund shall be invested in fixed income securities;
- (iii) not more than 15% of total asset of the Fund shall be invested in pre-IPOs at a time.
- (iv) all amounts collected for the Fund then invested only in cashable/transferable instruments, securities either in money market or capital market or privately placed pre-IPO equity, preference shares, debentures or securitised debts;
- (v) the fund shall get the securities purchased or transferred in the name of the Fund;
- (vi) asset management company will make the investment decisions and place orders for securities to be purchased or sale for the Fund's portfolio only, etc.

4.2 Valuation policy

Valuation of various investments of the Fund is made as under:

- (i) the basis of calculation of net asset value (NAV) of listed securities of portfolio of the Fund is the average quoted market price prevailing on stock exchanges at the date of valuation;
- (ii) for securitised debts, debentures, margin or fixed deposits, accrued interest on such instruments on the date of valuation has taken into account in calculating NAV of such securities in the portfolio of the Fund;
- (iii) the valuation of non-listed securities is being made by the asset management company with their reasonable value as referred by Bangladesh Securities and Exchange Commission.

4.3 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.



Popular Life First Mutual Fund

**Notes to financial statements
For the year ended 30 June 2014**

4.4 Dividend policy

As per Rule 66 of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001 as amended, the Fund is required to distribute its profit in the form of dividend either in cash or reinvestment (bonus share) or both to its unit holders an amount which shall not be less than 70% of annual profit during the year, net provisions.

4.5 Cash and cash equivalents

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

4.6 Market risk reserve

Investment has been valued on aggregated portfolio basis and provision is required to be made on portfolio value of investment as on 30 June 2014 which comes to BDT 92,594,601 last year on 30 June 2013 total provision was BDT 317,665,993. As the current year required provision is less than the earlier year of BDT 225,071,392 this has been transferred to the Profit & Loss Statement as a reversal of expense. Investments were valued at Fair Value measurement as per BFRS 13 & 7 which are as follows.

Financial instrument	Methodology
Non-listed equity	Market comparable
Non-listed debt	Yield to maturity (Present value techniques)
Thinly traded/illiquid security	Intrinsic value

4.7 Provision

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.

4.8 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 BAS-18 and Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001.

4.9 Statement of cash flows

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



Popular Life First Mutual Fund

Notes to financial statements
For the year ended 30 June 2014

	2014 BDT	2013 BDT
5. Investment at cost in marketable securities (Annex A)		
Investment at cost price	1,343,130,554	1,289,688,356
Investment in IPO	100,000,000	-
	<u>1,443,130,554</u>	<u>1,289,688,356</u>
6. Cash and cash equivalents		
Fixed deposit receipts	124,401,396	140,512,827
Short term deposits with:		
Sponsor account-		
Southeast Bank Ltd (A/C-0083131000002)	250,184,393	223,876,687
ONE Bank Ltd (A/C-0123000000697)	232,813,431	-
The Premier Bank Ltd (A/C-10413600007)	154,659,621	158,580,263
BRAC Bank Ltd (A/C-1501101733958002)	6,849,002	3,266,220
Eastern Bank Ltd (A/C-1011220139919)	3,669,725	15,059,167
Southeast Bank Ltd (A/C-13100000042)	5,637	-
The Premier Bank Ltd (A/C-014913500008)	-	71,887,107
ONE Bank Ltd (A/C-0123000000529)	-	58,132,419
United Commercial Bank Ltd (A/C-00721320000288)	-	9,873
The City Bank Ltd (A/C-3101177318001)	-	2,100
AB Bank Ltd (A/C-4005-775828-430)	-	22
IPO - BRAC Bank Ltd (A/C-1501101733958003)	79,792	288,655
Escrow account - BRAC Bank Ltd (A/C-1501101733958001)	38,905	39,659
	<u>772,701,902</u>	<u>671,654,999</u>
An amount of BDT 5,223,758.00 which was collected during subscription of units would require to be refunded to the subscribers on demand which is deposited with the above-refund IPO account.		
7. Non listed security -at cost		
Bonds (note 7.1)	209,960,288	329,960,288
Shares of Farmers Bank Limited	25,555,556	25,555,556
	<u>235,515,844</u>	<u>355,515,844</u>
7.1 Bonds		
SK. Akijuddin Ltd- unsecured subordinated bonds	110,000,000	160,000,000
Trust Bank Ltd- unsecured subordinated bonds	90,000,000	90,000,000
Bank Asia Ltd- zero coupon bonds	9,960,288	9,960,288
Renata Ltd- unsecured subordinated bonds	-	70,000,000
	<u>209,960,288</u>	<u>329,960,288</u>
8. Preliminary and issue expenses		
Opening balance	41,317,321	47,011,581
Less: Interest income from escrow account	59,039	39,659
	<u>41,258,282</u>	<u>46,971,922</u>
Less: Amortisation during the year	5,646,521	5,654,601
Closing balance	<u>35,611,761</u>	<u>41,317,321</u>
9. Other receivables		
Interest receivable (note 9.1)	16,803,380	10,847,819
Dividend receivable	2,078,086	2,210,367
Receivable from sale of marketable securities	251,003	8,135,143
	<u>19,132,469</u>	<u>21,193,329</u>
9.1 Interest receivable		
Corporate bond	8,872,501	10,113,292
Short term deposit (STD) account	7,579,251	-
Fixed deposit account	351,628	734,527
	<u>16,803,380</u>	<u>10,847,819</u>



Popular Life First Mutual Fund

Notes to financial statements
For the year ended 30 June 2014

	2014 BDT	2013 BDT
10. Advance, deposit and prepayment		
Advance income tax	1,026,501	507,685
Deposit- Central Depository Bangladesh Limited (CDBL)	500,000	500,000
Prepayment (note 10.1)	<u>3,282,658</u>	<u>2,100,000</u>
	<u>4,809,159</u>	<u>3,107,685</u>
10.1 Prepayment		
Annual fee - BSEC	2,047,214	2,000,000
Trustee fee	1,135,444	-
Annual fee - DSE	50,000	50,000
Annual fee - CSE	<u>50,000</u>	<u>50,000</u>
	<u>3,282,658</u>	<u>2,100,000</u>
11. Other payables		
Management fee	12,259,657	97,977
Custodian fee	266,885	1,405,250
Audit fee	45,000	45,000
Payable to sundry securities	<u>1,423</u>	<u>1,419</u>
	<u>12,572,965</u>	<u>1,549,646</u>
12. Other liabilities and provisions		
Preliminary expenses	1,285,387	1,285,388
Tax deducted at sources	1,131,736	2,829,598
VAT deducted at sources	212,227	493,277
Publication expenses	<u>150,000</u>	<u>100,000</u>
	<u>2,779,350</u>	<u>4,708,263</u>
13. Capital fund		
Size of capital fund		
200,000,000 units of Taka 10 each	2,000,000,000	2,000,000,000
Add: 2.50% re-investment unit (note 13.1)	<u>47,214,350</u>	<u>-</u>
	<u>2,047,214,350</u>	<u>2,000,000,000</u>

Calculation of capital fund:

Fund size at 2013	Face value	NAV at 26 Aug 2013	RIU distributed as per NAV @ 2.50%	Total capital fund
<u>BDT</u>	<u>BDT</u>	<u>BDT</u>	<u>BDT</u>	<u>BDT</u>
2,000,000,000	10	10.59	47,214,350	2,047,214,350



Popular Life First Mutual Fund

Notes to financial statements
For the year ended 30 June 2014

13.1 Re-investment unit

The Trustee Committee of the Fund approved the audited accounts of the fund for the year ended on 30 June 2013. The Fund has reported net profit of Taka 15,8423,787 and earnings per unit of Taka 0.77. Accordingly the Trustee declared a dividend of 2.50% for the year 2013 in the form of re-investment units to be issued at a valuation of the last published NAV per unit before the record date. Record date was at 26 August 2013.

	2014 BDT	2013 BDT
14. Market risk reserve		
Opening balance	317,665,993	368,407,031
Less: Unrealised loss on listed securities	225,071,392	50,741,038
Closing balance	<u>92,594,601</u>	<u>317,665,993</u>
14.1 Provision for:		
Unrealised loss on listed securities (Annex A)	129,931,897	317,665,993
Less: Unrealised (profit) on non-listed securities (Annex A)	37,337,296	-
Aggregate required provision	<u>92,594,601</u>	<u>317,665,993</u>
15. Net asset value (NAV) per unit at cost		
At cost		
Total asset	2,510,901,689	2,382,477,534
Less: Other payables	12,572,965	1,549,646
Other liabilities and provisions	2,779,350	4,708,263
Total net asset value at cost - (numerator)	<u>2,495,549,374</u>	<u>2,376,219,625</u>
Number of units -(denominator)	204,721,435	200,000,000
NAV per unit at cost	<u>12.19</u>	<u>11.88</u>
At market value		
Total net asset value at cost price	2,495,549,374	2,376,219,625
Less: Unrealised loss on securities	92,594,601	317,665,993
Total net asset value at market - (numerator)	<u>2,402,954,773</u>	<u>2,058,553,632</u>
Number of units - (denominator)	204,721,435	200,000,000
NAV per unit at market value	<u>11.74</u>	<u>10.29</u>
16. Financial income		
Interest on		
Short term deposit (STD) account account	55,245,132	71,343,323
Corporate bonds	41,897,582	29,011,853
Fixed deposit account	14,234,061	15,116,778
	<u>111,376,775</u>	<u>115,471,954</u>



**Notes to financial statements
For the year ended 30 June 2014**

	2014 BDT	2013 BDT
17. Management fee	<u>25,835,762</u>	<u>25,735,757</u>

RACE Management PCL, the Fund Manager, is to be paid an annual management fees on weekly average net asset value (NAV) as per Rule 65 of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001 and as per Trust Deed at the following rates:

<u>Slab</u>	<u>Rate of fee</u>
On weekly average NAV up to BDT 5 crore	2.5%
On next 20 crore of weekly average NAV	2%
On next 25 crore of weekly average NAV	1.5%
On rest of weekly average NAV	1%

18. Trustee fee	<u>2,338,640</u>	<u>2,275,283</u>
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Bangladesh General Insurance Company Limited (BGIC), 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.

19. BSEC annual fee	<u>2,000,000</u>	<u>2,000,000</u>
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Annual fee of Taka 2,000,000 (at the rate of 0.10% of the fund size) was paid to BSEC as per Rules 11(1) of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001.

20. CDBL charges	<u>499,305</u>	<u>54,318</u>
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CDBL charge of Taka 499,305 was paid to Central Depository Bangladesh Limited (CDBL) as per Annexure A-1 of CDBL Bye Laws (3.7).

21. Custodian fee	<u>378,719</u>	<u>595,261</u>
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BRAC Bank Limited, the custodian of the fund is entitled to receive a safekeeping fee @ 0.07% on the balance of securities calculated on average month end value per annum as per Trust Deed.

22. Earnings per unit for the year

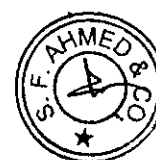
Net profit for the year (numerator)	<u>344,401,141</u>	<u>158,423,787</u>
Number of units (denominator)	<u>204,721,435</u>	<u>204,721,435</u>
Earnings per unit	<u>1.68</u>	<u>0.77</u>

Number of units

This represents the number of units outstanding at the beginning of the year plus the number of re-investment units (RIU) issued during the year. The logic behind this basis is, that the re-investment units (RIU) are issued to the existing unit holders without any consideration, and therefore, the number of units outstanding is increased without an increase in resources generating new earnings. Due to the change in number of units earnings per unit for the year 2013 has been restated.

23. Events after the reporting period

The Trustee of the Fund has approved dividend at the rate of 12% on the capital fund of Taka 2,047,214,350 in the form of re-investment units to be issued at a valuation of the last published NAV per Unit before the record date for the year ended 30 June 2014 at the meeting held on 14 August 2014.



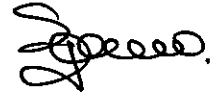

Popular Life First Mutual Fund

Notes to financial statements
For the year ended 30 June 2014

24. Others

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

for Popular Life First Mutual Fund



Asset Manager
RACE Management PCL



Trustee
Bangladesh General Insurance Company Limited

Dhaka, Bangladesh
Dated, 14 August 2014



Annex A

Popular Life First Mutual Fund

Notes to financial statements
For the year ended 30 June 2014

List of the Total Investment & Aggregate Required Provision

Particulars	Cost Value	Market Value	Fair Value	Required Provision /(excess)
	BDT	BDT	BDT	BDT
Investment in marketable securities (Note-5)	1,443,130,555	1,274,690,718	1,313,198,658	129,931,897
Listed Securities (Active) (Annex-A1)	1,255,865,069	1,116,289,518	1,116,289,518	139,575,551
Listed thinly traded/illiquid Securities	87,265,486	58,401,201	96,909,140	(9,643,654)
IPO Investment (Tung Hai Knitting & Dyeing Ltd)	100,000,000	100,000,000	100,000,000	-
Investment in Non-listed securities (Note-7)	235,515,844		272,853,140	(37,337,296)
Non listed equity Securities	25,555,556	Not Available	36,800,000	(11,244,444)
Non listed debt Securities	209,960,288	Not Available	236,053,140	(26,092,852)
Total	1,678,646,399		1,586,051,798	92,594,601

Annex A1

Sector-wise break up of investment in Listed securities (Active)

Sector/category	Number of shares	Cost	Market value	Difference
		BDT	BDT	BDT
Bank	6,643,559	239,285,372	130,848,140	(108,437,233)
Cement	121,200	40,825,336	61,630,200	20,804,864
Ceramic	40,115	1,670,741	1,761,049	90,308
Corporate Bond	30,490	30,457,284	30,183,018	(274,266)
Engineering	120,795	14,897,210	8,781,501	(6,115,709)
Food and Allied	63,150	41,390,837	146,388,015	104,997,178
Fuel and Power	2,267,969	200,636,042	134,980,760	(65,655,282)
Insurance	282,291	41,232,825	23,762,760	(17,470,065)
Mutual Funds	8,693,470	117,444,430	64,151,069	(53,293,361)
NBFI	445,086	199,869,074	123,737,778	(76,131,296)
Pharma	445,054	90,128,353	144,646,442	54,518,090
Services and Real Estate	20,872	2,975,257	500,928	(2,474,329)
Tannery	78,500	38,034,178	47,847,150	9,812,972
Telecommunication	352,492	81,676,076	105,842,998	24,166,921
Textile	410,963	22,525,366	11,525,838	(10,999,528)
Travel and Leisure	643,585	60,345,568	43,559,757	(16,785,811)
Miscellaneous	70,457	32,471,119	36,142,116	3,670,997
Total value of listed securities (Active)	20,730,048	1,255,865,069	1,116,289,518	(139,575,551)

