



মাসিহ মুহিত হাৰু এণ্ড কোম্পানী  
MASIH MUHITH HAQUE & CO.  
Chartered Accountants

Correspondent Firm of RSM International Network

*Auditors' Report &  
Audited Financial Statements  
Of  
AB Bank First Mutual Fund*

Trustee: Bangladesh General Insurance Company Limited.  
42 Dilkusha C/A, Dhaka – 1000

For the year ended June 30, 2017

## AUDITORS' REPORT TO THE TRUSTEE

We have audited the accompanying financial statements of **AB Bank 1<sup>st</sup> Mutual Fund** (the Fund), which comprise the statement of financial position (Balance sheet) as at 30<sup>th</sup> June 2017, 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.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS) 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.

### ***Auditor's 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 (BSA). 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' judgment, 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 (BFRS) and Bangladesh Accounting Standards (BAS) give a true and fair view of the state of the Fund's affairs as of 30<sup>th</sup> June 2017 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, 2001, Trust Deed and other applicable laws and regulations.

### Emphasis of matters

Without modifying our opinion above, we draw attention to the following matter

- As stated in note-3.06, the fund has not made VAT expense provision for the year ended June 30, 2017.
- The Auditee (RACE Management) used to enjoy a Tax deduction rate @ 4% on its management fees as per letter under ref no.-8(49) D: S-17(Kh:a:-2)/2010/1424. The terms of reduced rate of TDS has expired on June 30, 2015. On July 21, 2015, The Auditee applied for renewal to NBR but the respond from NBR is still pending as on August 08, 2017. In this case, the Auditee continued to comply with TDS @ 4% on management fees, as it was practiced by it before as per NBR approval.

We also report that:

- a. we have obtained all 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 accounts as required by law except basis for the paragraph of emphasis matters 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 in this report are in agreement with the books of accounts;
- d. the investment was made as per Rule 56 of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala, 2001; and
- e. the expenditure incurred and payments made were for the purpose of the Fund's business.

Place: Dhaka  
August 09, 2017

  
(Masih Muhith Haque & Co.)  
Chartered Accountants

## AB Bank First Mutual Fund

### Statement of Financial Position (Balance sheet) As at June 30, 2017

Particulars	Notes	Amount in BDT	
		30.06.2017	30.06.2016
<b>A Assets</b>			
Investment in marketable securities-at fair value	5	1,609,689,348	1,268,288,530
Investment in non-listed securities-at fair value	6	609,489,373	469,792,515
Cash and cash equivalents	7	384,128,066	482,239,254
Preliminary and issue expenses	8	22,591,035	27,519,741
Other receivables	9	55,830,671	56,246,199
Advance, deposits and prepayments	10	4,703,109	4,791,266
<b>Total asset</b>		<b>2,686,431,602</b>	<b>2,308,877,505</b>
<b>B Liabilities</b>			
Liabilities for expenses	11	20,717,284	13,243,214
Other liabilities	12	765,039	624,714
<b>Total liability</b>		<b>21,482,323</b>	<b>13,867,928</b>
<b>C Net assets (A-B)</b>		<b>2,664,949,279</b>	<b>2,295,009,577</b>
<b>D Equity</b>			
Capital fund	13	2,085,706,490	1,967,392,510
Unit premium		128,429,756	109,026,260
Unrealized Gain	14	170,720,528	66,733,276
Retained earnings		280,092,505	151,857,531
<b>Total equity</b>		<b>2,664,949,279</b>	<b>2,295,009,577</b>
<b>Net asset value (NAV) per unit</b>			
At cost		11.96	11.33
At market (adjusted)	15	12.78	11.67

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



Asset Manager  
Bangladesh RACE Management PCL



Trustee  
Bangladesh General Insurance Company Limited

See annexed report of the date

Dated: Dhaka  
August 09, 2017



(Masih Muhith Haque & Co.)  
Chartered Accountants

## AB Bank First Mutual Fund

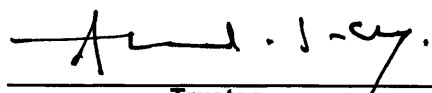
### Statement of Comprehensive Income (Profit & loss statement) For the year ended June 30, 2017

Particulars	Notes	Amount in BDT	
		2016-2017	2015-2016
<b>A Income</b>			
Financial income	16	63,255,504	70,924,995
Net profit on sale of investments	17	179,478,675	38,222,649
Dividend from investments	18	65,206,253	41,758,096
Other Income		-	21,429
<b>Total income</b>		<b>307,940,432</b>	<b>150,927,169</b>
<b>B Expenditure</b>			
Management fees	19	28,604,466	26,131,653
Amortisation of preliminary expenses	8	4,928,707	4,942,211
Trustee fees	20	2,308,628	2,125,906
BSEC annual fee	21	2,262,502	1,758,688
Custodian fees	22	1,203,173	882,831
CDBL charges	23	307,945	395,678
DSE annual fee		600,000	350,000
CSE annual fee		600,000	350,000
Listing fees expense	24	587,356	886,726
Bank charges		61,822	83,491
Audit fee		57,500	57,500
Printing & publication expenses		403,884	506,656
Other operating expenses		62,000	8,394
<b>Total expenditure</b>		<b>41,987,982</b>	<b>38,479,734</b>
<b>C Profit before provision (A-B)</b>		<b>265,952,450</b>	<b>112,447,435</b>
(Provision) or written back for unrealised loss		-	-
<b>D Net profit for the year</b>		<b>265,952,450</b>	<b>112,447,435</b>
<b>E Earnings per unit for the year</b>	25	<b>1.28</b>	<b>0.54</b>

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**Asset Manager**  
Bangladesh RACE Management PCL



**Trustee**  
Bangladesh General Insurance Company Limited

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Dated: Dhaka  
August 09, 2017



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**AB Bank First Mutual Fund**

**Statement of Changes in Equity**  
**For the year ended June 30, 2017**

Amount in BDT

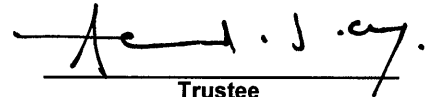
Particulars	Capital fund	Unit premium	Unrealized gain	Retained earnings	Total equity
Balance as at 01 July 2016	1,967,392,510	109,026,260	66,733,276	151,857,531	2,295,009,577
Net profit for the year	-	-	-	265,952,450	265,952,450
Dividend for the year 2016	118,313,980	19,403,496	-	(137,717,476)	-
Unrealized gain	-	-	103,987,252	-	103,987,252
<b>Balance as at 30 June 2017</b>	<b>2,085,706,490</b>	<b>128,429,756</b>	<b>170,720,528</b>	<b>280,092,505</b>	<b>2,664,949,279</b>

**Statement of Changes in Equity**  
**For the year ended June 30, 2016**

Particulars	Capital fund	Unit premium	Unrealized Gain	Retained Earnings	Total Equity
Balance as at 01 July 2015	1,758,687,510	53,928,132	36,532,498	303,213,224	2,152,361,364
Net profit for the year	-	-	-	112,447,435	112,447,435
Dividend for the year 2015	208,705,000	55,098,128	-	(263,803,128)	-
Unrealized gain	-	-	30,200,778	-	30,200,778
<b>Balance as at 30 June 2016</b>	<b>1,967,392,510</b>	<b>109,026,260</b>	<b>66,733,276</b>	<b>151,857,531</b>	<b>2,295,009,577</b>



**Asset Manager**  
Bangladesh RACE Management PCL



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Bangladesh General Insurance Company Limited

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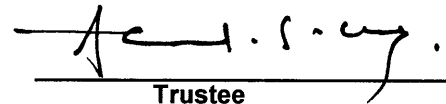
## **AB Bank First Mutual Fund**

**Statement of Cash Flows**  
For the year ended June 30, 2017

Particulars	Amount in BDT	
	2016-2017	2015-2016
<b>A Cash flows from operating activities</b>		
Dividend income	48,431,569	48,753,462
Financial income	64,674,692	58,009,124
Net profit on sale of investments	179,478,675	38,222,649
Advance deposit & prepayment	88,157	(1,105,966)
Other Income	-	21,429
Operating expense	(29,444,879)	(32,792,136)
<b>Net cash from operating activities</b>	<b>263,228,214</b>	<b>111,108,561</b>
<b>B Cash flows from investing activities</b>		
Listed securities	(234,584,873)	(131,744,291)
Non-listed securities	(126,754,529)	(141,875,479)
<b>Net cash used in investing activities</b>	<b>(361,339,402)</b>	<b>(273,619,770)</b>
<b>C Cash flows from financing activities</b>		
Capital contribution	-	-
<b>Net cash from financing activities</b>	<b>-</b>	<b>-</b>
<b>D Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(98,111,188)</b>	<b>(162,511,209)</b>
<b>E Opening cash and cash equivalents</b>	<b>482,239,254</b>	<b>644,750,463</b>
<b>F Closing cash and cash equivalents (D+E)</b>	<b>384,128,066</b>	<b>482,239,254</b>
<b>Net Operating Cash Flow Per Unit ( NOCFPU )</b>	<b>1.26</b>	<b>0.53</b>



**Asset Manager**  
Bangladesh RACE Management PCL



**Trustee**  
Bangladesh General Insurance Company Limited

See annexed report of the date

Dated: Dhaka  
August 09, 2017

  
**(Masih Muhith Haque & Co.)**  
Chartered Accountants

## **AB Bank First Mutual Fund**

### **Notes to the Accounts**

**For the year ended 30th June 2017**

#### **1. The fund and legal status**

AB Bank First Mutual Fund (hereinafter called as "Fund") was established under a Trust Deed signed on 04 July 2011 between AB Bank 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 21 July 2011 vide Registration code no. SEC/Mutual Fund/2011/41 under the Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001. The operations of the Fund was commenced on 29 January 2012 by listing with Dhaka and Chittagong Stock Exchanges.

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

AB Bank 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 208,570,649 units of BDT 10 each. The units of the Fund are transferable.

#### **2. Objectives**

The objective of AB Bank 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 2016 to 30 June 2017.

### 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.

However, as per the letter under ref. BSEC/REG./3.1/G-56/MUSUK/2016/96; date-May 17, 2016 and subsequent clarification by the primary regulator of the fund, Bangladesh Securities and Exchange Commission, the fund has not made any VAT expense provision during the reporting year.

## 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 for or sale of those formthe Fund's portfolio only, etc.

### 4.2 Investment Valuation

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.

Investment were valued at Fair Value measurement as per BFRS 13& 17 the technique are as follows :

Financial instrument	Methodology
Non-listed equity	Market comparable
Non-listed debt	Yield to maturity (P V. techniques)
Mutual Fund	Fair Value of listed mutual funds are valued at intrinsic value as per BSEC directive No. SEC/CMRRCD/2009-193/172 dated: 30th June 2015

#### 4.3 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.

#### 4.4 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:

Total NAV = VA - LT

NAV per unit = Total NAV / 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.

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

#### 4.8 Statement of cash flows

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

		Amount in BDT	
		2016-2017	2015-2016
<b>5.00</b>	<b>Investment in marketable securities-at Fair Value : Tk.1,609,689,348</b>		
	Investment at market price (Fair Value)                      Annex A	1,609,689,348	1,268,288,530
		<u>1,609,689,348</u>	<u>1,268,288,530</u>
<b>6.00</b>	<b>Investment in non-listed security-at Fair Value :Tk.609,489,373</b>		
	Bonds (Note 6.1)	371,033,387	335,573,546
	Equity Shares of The Farmers Bank Ltd.	63,888,890	63,888,890
	Equity Shares of Multi Securities & Services Ltd.	74,567,096	70,330,079
	Bangladesh Fixed Income Special Purpose Vehicle- BFISPV	100,000,000	-
		<u>609,489,373</u>	<u>469,792,515</u>
<b>6.1</b>	<b>Bonds : Tk.371,033,387</b>		
	Trust Bank Ltd. Unsecured Subordinated Bond	50,976,463	73,563,980
	Bank Asia Ltd. Zero Coupon Bond	15,938,547	24,580,958
	The Premier Bank Ltd. Subordinated & Non Convertible Subordinated Bond	304,118,377	178,666,366
	Regent Spinning Mills Corporate Bond	-	58,762,243
		<u>371,033,387</u>	<u>335,573,546</u>
<b>7.00</b>	<b>Cash and cash equivalents :Tk. 384,128,066</b>		
	Fixed deposit receipts		
	Premier bank -010424600028480	349,383,734	326,539,892
	Short term deposits with:		
	Operational accounts:		
	The Premier Bank Ltd (A/C 010413600000005)	-	-
	One Bank Ltd (A/C 0123000000722)	19,341,643	154,064,184
	Southeast Bank Ltd (A/C 008313100000001)	15,094,940	1,350,909
	AB Bank Ltd (A/C-4005-776830-430)	16,624	18,692
	EXIM Bank Ltd (A/C 00113100462655)	2,171	3,307
	Eastern Bank Ltd (A/C 1011360215856)	5,374	5,961
	BRAC Bank Ltd (A/C 1503202216121001)	25,088	25,614
	Farmers Bank (0113000082175)	258,491	230,554
	NRB Bank Ltd. (A/C-1021030022251)	-	-
	<i>IPO and dividend account:</i>		
	AB Bank Ltd (IPO-A/C-4005-776833-430)	-	141
	One Bank Ltd (Div-A/C 0013000001233)	-	-
	Southeast Bank Ltd (Div-A/C 008313100000044)	-	-
	Southeast Bank Ltd (Div-A/C 008313100000194)	-	-
	Southeast Bank Ltd (Div-A/C 008313100000138)	-	-
		<u>384,128,066</u>	<u>482,239,254</u>
<b>8.00</b>	<b>Preliminary and issue expenses : Tk.22,591,035</b>		
	Opening balance	27,519,741	32,461,953
	Less: Amortisation during the year	4,928,707	4,942,211
	Closing balance	<u>22,591,035</u>	<u>27,519,741</u>

	Amount in BDT	
	2016-2017	2015-2016
<b>9.00 Other receivables : Tk.55,830,671</b>		
Interest receivable ( 9.1)	36,544,892	37,964,080
Receivable from sale of marketable securities	700,102	16,471,126
Dividend receivable	18,585,677	1,810,993
	<b>55,830,671</b>	<b>56,246,199</b>
<b>9.1 Interest receivable : Tk.36,544,892</b>		
Fixed Deposit Receipts (FDR) account	19,973,103	18,730,691
Unsecured subordinated bonds	16,571,789	19,233,390
	<b>36,544,892</b>	<b>37,964,080</b>
<b>10.00 Advance deposit and prepayment : Tk.4,703,109</b>		
Advance income tax deducted at source	76,254	228,806
Deposit- Central Depository Bangladesh Limited	500,000	500,000
Prepayments ( 10.1)	4,126,855	4,062,460
	<b>4,703,109</b>	<b>4,791,266</b>
<b>10.1 Prepayments : Tk.4,126,855</b>		
Annual fee-BSEC	2,169,134	2,262,502
Trustee fee- BGIC	1,297,253	1,129,151
Annual fee - DSE	324,000	300,000
Annual fee - CSE	324,000	300,000
CDBL Annual Fee	12,468	70,807
	<b>4,126,855</b>	<b>4,062,460</b>
<b>11.00 Liability for expenses : Tk.20,717,284</b>		
Management fee	14,310,919	12,511,574
Payable to sundry securities	5,780,425	86,400
Custodian fee	325,941	345,240
Audit fee	50,000	50,000
Payable for other expenses	100,000	100,000
Payable for publication	150,000	150,000
	<b>20,717,284</b>	<b>13,243,214</b>
<b>12.00 Other liabilities : Tk.765,039</b>		
Other finance	765,039	624,714
	<b>765,039</b>	<b>624,714</b>
<b>13.00 Capital fund : Tk.2,085,706,490</b>		
<b>Size of capital fund</b>		
196,739,251 units of BDT 10 each	1,967,392,510	1,758,687,510
Add: 7% re-investment unit (RIU) (note- 13.1)	118,313,980	208,705,000
	<b>2,085,706,490</b>	<b>1,967,392,510</b>
<b>13.01 Re-investment Unit</b>		

The Trustee of the Fund approved the audited accounts of the fund for the year ended on 30 June 2016. The Fund has reported net profit of Taka 112,447,435.00 and earnings per unit of Taka 0.57. Accordingly the Trustee declared a dividend of 7% for the year 2016 in the form of re-investment units to be issued at a valuation of the last published NAV per unit before the record date.

	Amount in BDT	
	2016-2017	2015-2016
<b>14.00 Unrealized Gain: Tk.170,720,528</b>		
Opening balance	66,733,276	36,532,498
Add: Appreciation of Comparative Securities Value	103,987,252	30,200,778
Closing balance	<b>170,720,528</b>	<b>66,733,276</b>
<b>15.00 Net asset value (NAV) per unit at cost</b>		
<b>At cost value :Tk. 11.96</b>		
Total Asset	2,515,711,074	2,242,144,229
Less: Accounts Payable	20,717,284	13,243,214
Other liabilities and provisions	765,039	624,714
Total net asset value at cost (numerator)	<b>2,494,228,751</b>	<b>2,228,276,301</b>
Number of units (denominator)	208,570,649	196,739,251
NAV per unit at cost	<b>11.96</b>	<b>11.33</b>
<b>At market value :Tk. 12.78</b>		
Total net asset value at cost price	2,494,228,751	2,228,276,301
Add: Unrealised gain on securities	170,720,528	66,733,276
Total net asset at market value (numerator)	<b>2,664,949,279</b>	<b>2,295,009,577</b>
Number of units (denominator)	208,570,649	196,739,251
NAV per unit at market value	<b>12.78</b>	<b>11.67</b>
<b>16.00 Financial income :Tk.63,255,504</b>		
Short term deposit (STD) account	6,885,844	18,319,009
Corporate bonds	32,389,680	29,549,647
Fixed deposit Receipts (FDR) account	23,979,979	23,056,339
	<b>63,255,504</b>	<b>70,924,995</b>
<b>17.00 Net profit on sale of investment :Tk.179,478,675</b>		
Profit on sale of Investment	197,067,137	39,403,620
Less: Loss on sale of Investment	17,588,462	1,180,971
Net Profit on sale of Investment	<b>179,478,675</b>	<b>38,222,649</b>
<b>18.00 Dividend from investment :Tk.65,206,253</b>		
Listed securities	63,456,253	41,433,246
Non-listed securities	1,750,000	324,850
	<b>65,206,253</b>	<b>41,758,096</b>
<b>19.00 Management fees :Tk.28,604,466</b>		
	<b>28,604,466</b>	<b>26,131,653</b>

Bangladesh 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

Slab	Rate of fee	NAV Amount	Fee Amount
On weekly average NAV up to BDT 5 crore	2.50%	50,000,000	1,250,000
On next 20 crore of weekly average NAV	2.00%	200,000,000	4,000,000
On next 25 crore of weekly average NAV	1.50%	250,000,000	3,750,000
On rest of weekly average NAV	1.00%	1,960,446,563	19,604,466
<b>Total</b>		<b>2,460,446,563</b>	<b>28,604,466</b>

		Amount in BDT	
		2016-2017	2015-2016
<b>20.00</b>	<b>Trustee fees :Tk.2,308,628</b>	<u>2,308,628</u>	<u>2,125,906</u>
<p>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.</p>			
<b>21.00</b>	<b>BSEC annual Fee :Tk.2,262,502</b>	<u>2,262,502</u>	<u>1,758,688</u>
<p>Annual fee (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</p>			
<b>22.00</b>	<b>Custodian fees :Tk.1,203,173</b>	<u>1,203,173</u>	<u>882,831</u>
<p>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.</p>			
<b>23.00</b>	<b>CDBL Charges :Tk.307,945</b>	<u>307,945</u>	<u>395,678</u>
<p>CDBL charge was paid to Central Depository Bangladesh Limited (CDBL) as per Annex A 1 of CDBL Bye Laws (3.7).</p>			
<b>24.00</b>	<b>Listing fees expenses :Tk.587,356</b>		
	Dhaka Stock Exchange	293,678	443,363
	Chittagong Stock Exchange	293,678	443,363
		<u>587,356</u>	<u>886,726</u>
<b>25.00</b>	<b>Earnings per unit for the year :Tk.1.28</b>		
	Net profit for the year (numerator)	265,952,450	112,447,435
	Number of units (denominator)	208,570,649	208,570,649
	Earnings per unit	<u>1.28</u>	<u>0.54</u>

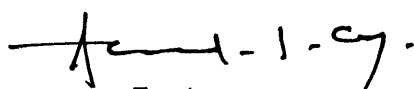
**26.00** The Trustee Board of the fund has approved 3.0% cash dividend and Re-Investment Units (RIU) of 10% on the Capital Fund of Tk. 2,08,57,06,490.00 for the year ended on June 30, 2017 to be issued at a valuation based on last published NAV per unit before Record date and at the meeting held on August 09, 2017.

**27.00 Others**

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

  
**Asset Manager**  
Bangladesh RACE Management PCL

Dated: Dhaka  
August 09, 2017

  
**Trustee**  
Bangladesh General Insurance Company Limited  
See annexed report of the date

Annex A

**AB Bank First Mutual Fund**

**List of the total Investment and aggregate required provision**

Amount in BDT

Particulars	Cost value	Fair Market value	Required provision / (excess)
<b>Investment in Marketable Securities (Note-5)</b>	<b>1,507,518,298</b>	<b>1,609,689,348</b>	<b>(102,171,051)</b>
Listed Securities (Annex-A1)	1,507,518,298	1,609,689,348	(102,171,051)
<b>Investment in Non-listed securities (Note-6)</b>	<b>540,939,896</b>	<b>609,489,373</b>	<b>(68,549,477)</b>
Non Listed Equity Securities	138,455,986	138,455,986	-
Non Listed Debt Securities	402,483,910	471,033,387	(68,549,477)
<b>Balance as at 30.06.17</b>	<b>2,048,458,194</b>	<b>2,219,178,721</b>	<b>(170,720,528)</b>

Annex- A1

**Sector-wise break up of investment in Listed securities**

Particulars	Number of shares	Cost value	Fair Market value	Difference
Bank	27,569,531	550,298,562	585,652,568	(35,354,006)
Cement	296,441	69,200,394	49,039,545	20,160,849
Ceramic	7,319	503,035	421,574	81,461
Corporate Bond	2,230	2,029,568	2,165,330	(135,762)
Engineering	73,359	6,658,063	6,668,333	(10,270)
Food and Alliance	307,013	131,735,696	134,256,561	(2,520,865)
Fuel and Power	522,109	58,254,557	53,176,682	5,077,875
Insurance	433,885	31,252,981	26,325,486	4,927,495
Miscellaneous	9,733	15,641,710	20,439,300	(4,797,590)
Mutual Fund	5,936,955	55,997,801	55,097,801	900,000
NBFI	1,158,042	89,697,402	118,631,374	(28,933,972)
Pharma	783,416	378,512,990	454,609,623	(76,096,633)
Tannery	27,214	17,975,210	15,483,613	2,491,597
Telecommunication	277,913	41,624,400	45,552,131	(3,927,731)
Textile	76,546	3,364,032	3,408,063	(44,031)
Travel & Leisues	562,365	46,771,897	30,761,366	16,010,532
IPO	800,000	8,000,000	8,000,000	-
<b>Total value of listed securities</b>	<b>38,844,071</b>	<b>1,507,518,298</b>	<b>1,609,689,348</b>	<b>(102,171,051)</b>