

**AUDITOR'S REPORT  
AND  
FINANCIAL STATEMENTS  
OF  
AB BANK 1ST MUTUAL FUND  
TRUSTEE: BANGLADESH GENERAL INSURANCE COMPANY LIMITED  
42 DILKUSHA C/A, DHAKA-1000  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2018**



## INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF AB BANK 1ST MUTUAL FUND

We have audited the accompanying financial statements of **AB Bank 1st Mutual Fund**(the Fund) which comprise the statement of financial position as at 30<sup>th</sup>June 2018, statement of comprehensive income, 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.

### 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 (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 at 30<sup>th</sup>June 2018 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.



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 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 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.

Dated: Dhaka  
August 14, 2018  
Rapayan Karim Tower  
Level# 7, Suite # 7/A  
80, Kakrail, Dhaka.

  
Zoha Zaman Kabir Rashid & Co.  
Chartered Accountants

**AB Bank 1st Mutual Fund**  
**Statement of Financial Position**  
**As at June 30, 2018**

| Particulars                                       | Notes | Amount in BDT        |                      |
|---|-------|----------------------|----------------------|
|   |       | 30.06.2018           | 30.06.2017           |
| <b>A Assets</b>                                   |       |                      |                      |
| Investment in marketable securities-at Fair Value | 5     | 1,824,855,265        | 1,609,689,348        |
| Investment in non-listed Securities-at Fair Value | 6     | 676,290,134          | 609,489,373          |
| Cash and cash equivalents                         | 7     | 164,946,657          | 384,128,066          |
| Preliminary and issue expenses                    | 8     | 17,662,328           | 22,591,035           |
| Other receivables                                 | 9     | 26,542,759           | 55,830,671           |
| Advance, deposit and prepayment                   | 10    | 4,983,363            | 4,703,109            |
| <b>Total asset</b>                                |       | <b>2,715,280,506</b> | <b>2,686,431,602</b> |
| <b>B Liabilities</b>                              |       |                      |                      |
| Liabilities for expenses                          | 11    | 15,859,478           | 20,717,284           |
| Other liabilities                                 | 12    | 681,387              | 765,039              |
| <b>Total liability</b>                            |       | <b>16,540,865</b>    | <b>21,482,323</b>    |
| <b>C Net assets (A-B)</b>                         |       | <b>2,698,739,641</b> | <b>2,664,949,279</b> |
| <b>D Equity</b>                                   |       |                      |                      |
| Capital fund                                      | 13    | 2,241,472,470        | 2,085,706,490        |
| Unit premium                                      |       | 181,234,425          | 128,429,756          |
| Unrealized Gain                                   | 14    | 33,342,897           | 170,720,528          |
| Retained earnings                                 |       | 242,689,848          | 280,092,505          |
| <b>Total equity</b>                               |       | <b>2,698,739,641</b> | <b>2,664,949,279</b> |
| <b>Net asset value (NAV) per unit</b>             |       |                      |                      |
| At cost   |       | 11.89                | 11.96                |
| At market (Adjusted)                              |       | 12.04                | 12.78                |

The accompanying notes form an integral part of this financial statement and are to be read in conjunction therewith.

  
**Asset Manager**  
Bangladesh RACE Management PCL

  
**Trustee**  
Bangladesh General Insurance Company Limited

signed in terms of our separate report of even date annexed.

Dated: Dhaka  
August 14, 2018

  
**Zoha Zaman Kabir Rashid & Co.**  
Chartered Accountants

**AB Bank 1st Mutual Fund**  
**Statement of comprehensive income**  
**For the year ended June 30, 2018**

| Particulars                                   | Notes | Amount in BDT      |                    |
|---|-------|--------------------|--------------------|
|   |       | 2017-2018          | 2016-2017          |
| <b>A Income</b>                               |       |                    |                    |
| Financial income                              | 16    | 67,519,290         | 63,255,504         |
| Net profit on sale of investments             | 17    | 161,223,684        | 179,478,675        |
| Dividend from investments                     | 18    | 50,982,450         | 65,206,253         |
| <b>Total income</b>                           |       | <b>279,725,425</b> | <b>307,940,432</b> |
| <b>B Expenditure</b>                          |       |                    |                    |
| Management fees                               | 19    | 31,662,995         | 28,604,466         |
| Amortisation of preliminary expenses          | 8     | 4,928,707          | 4,928,707          |
| Trustee fees                                  | 20    | 2,718,756          | 2,308,628          |
| BSEC annual fee                               | 21    | 2,085,706          | 2,262,502          |
| Custodian fees                                | 22    | 1,582,744          | 1,203,173          |
| CDBL charges                                  | 23    | 425,529            | 307,945            |
| DSE annual fee                                |       | 600,000            | 600,000            |
| CSE annual fee                                |       | 600,000            | 600,000            |
| Listing fees expense                          | 24    | 692,298            | 587,356            |
| Bank charges                                  |       | 116,979            | 61,822             |
| Audit fee                                     |       | 60,000             | 57,500             |
| Printing & publication expenses               |       | 505,789            | 403,884            |
| Other operating expenses                      |       | 6,734              | 62,000             |
| <b>Total expenditure</b>                      |       | <b>45,986,238</b>  | <b>41,987,982</b>  |
| <b>C Profit before provision (A-B)</b>        |       | <b>233,739,187</b> | <b>265,952,450</b> |
| (Provision) or write back for unrealised loss |       | -                  | -                  |
| <b>D Net profit for the year</b>              |       | <b>233,739,187</b> | <b>265,952,450</b> |
| <b>E Earnings per unit for the year</b>       | 25    | <b>1.04</b>        | <b>1.19</b>        |

The accompanying notes form an integral part of this financial statement and are to be read in conjunction therewith.

  
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Dated: Dhaka  
August 14, 2018

  
**Zoha Zaman Kabir Rashid & Co.**  
Chartered Accountants

**AB Bank 1st Mutual Fund  
Statement of Changes in Equity  
For the year ended June 30, 2018**

| Particulars                    | Capital fund         | Unit premium       | Unrealized Gain   | Retained Earnings  | Total Equity         |
|--------------------------------|----------------------|--------------------|-------------------|--------------------|----------------------|
| Balance at 01 July 2017        | 2,085,706,490        | 128,429,756        | 170,720,528       | 280,092,505        | 2,664,949,279        |
| Net profit for the year        | -                    | -                  | -                 | 233,739,187        | 233,739,187          |
| Dividend for 2017 (RIU)        | 155,765,980          | 52,804,669         | -                 | (208,570,649)      | -                    |
| Dividend for 2017 (Cash)       | -                    | -                  | -                 | (62,571,195)       | (62,571,195)         |
| Unrealized gain                | -                    | -                  | (137,377,631)     | -                  | (137,377,631)        |
| <b>Balance at 30 June 2018</b> | <b>2,241,472,470</b> | <b>181,234,425</b> | <b>33,342,897</b> | <b>242,689,848</b> | <b>2,698,739,641</b> |

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

| Particulars                    | Capital fund         | Unit premium       | Unrealized Gain    | Retained Earnings  | Total Equity         |
|--------------------------------|----------------------|--------------------|--------------------|--------------------|----------------------|
| Balance 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 2016 (RIU)        | 118,313,980          | 19,403,496         | -                  | (137,717,476)      | -                    |
| Unrealized gain                | -                    | -                  | 103,987,252        | -                  | 103,987,252          |
| <b>Balance 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> |

  
Asset Manager

Bangladesh RACE Management PCL

  
Trustee

Bangladesh General Insurance Company Limited

signed in terms of our separate report of even date annexed.

Dated: Dhaka  
August 14, 2018

  
Zoha Zaman Kabir Rashid & Co.  
Chartered Accountants

**AB Bank 1st Mutual Fund  
Statement of Cash Flows  
For the year ended June 30, 2018**

| Particulars  | Amount in BDT        |                      |
|--|----------------------|----------------------|
|  | 2017-2018            | 2016-2017            |
| <b>A Cash flows from operating activities</b>              |                      |                      |
| Dividend income  | 58,752,210           | 48,431,569           |
| Financial income   | 89,037,444           | 64,674,692           |
| Net profit on sale of investments                          | 161,223,684          | 179,478,675          |
| Advance deposit & prepayment                               | (280,254)            | 88,157               |
| Operating expense  | (40,304,965)         | (35,138,904)         |
| <b>Net cash from operating activities</b>                  | <b>268,428,119</b>   | <b>257,534,189</b>   |
| <b>B Cash flows from investing activities</b>              |                      |                      |
| Listed securities  | (381,660,005)        | (228,890,848)        |
| Non-listed securities                                      | (43,378,329)         | (126,754,529)        |
| <b>Net cash used in investing activities</b>               | <b>(425,038,333)</b> | <b>(355,645,377)</b> |
| <b>C Cash flows from financing activities</b>              |                      |                      |
| Dividend paid  | (62,571,195)         | -                    |
| <b>Net cash from financing activities</b>                  | <b>(62,571,195)</b>  | <b>-</b>             |
| <b>D Net decrease in cash and cash equivalents (A+B+C)</b> | <b>(219,181,409)</b> | <b>(98,111,188)</b>  |
| <b>E Opening cash and cash equivalents</b>                 | <b>384,128,066</b>   | <b>482,239,254</b>   |
| <b>F Closing cash and cash equivalents (D+E)</b>           | <b>164,946,657</b>   | <b>384,128,066</b>   |
| <b>Net Operating Cash Flow Per Unit ( NOCFPU )</b>         | <b>1.20</b>          | <b>1.15</b>          |

  
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signed in terms of our separate report of even date annexed.

Dated: Dhaka  
August 14, 2018

  
**Zoha Zaman Kabir Rashid & Co.**  
Chartered Accountants

**AB Bank 1st Mutual Fund**  
**Notes to the Accounts**  
**For the year ended 30th June 2018**

**1. The fund and legal status**

AB Bank 1st 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 1st 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 224,147,247 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 2017 to 30 June 2018.

### 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) 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;
- (iv) the fund shall get the securities purchased or transferred in the name of the Fund;
- (v) 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 intransic value as per BSEC directive No. SEC/CMRRCD/2009-193/172 |

#### **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        |                      |
|-------------|---|----------------------|----------------------|
|             |   | 2017-2018            | 2016-2017            |
| <b>5.00</b> | <b>Investment in marketable securities-at Fair Value :</b>            |                      |                      |
|             | Investment in listed securities at fair value Annex A                 | 1,824,855,265        | 1,609,689,348        |
|             |   | <u>1,824,855,265</u> | <u>1,609,689,348</u> |
| <b>6.00</b> | <b>Investment in non-listed security-at Fair Value :</b>              |                      |                      |
|             | Equity shares of Farmers Bank Limited                                 | 63,888,890           | 63,888,890           |
|             | Best Holdings Ltd.Convertible Bond- Project BFISPV                    | 100,000,000          | 100,000,000          |
|             | Equity securities of Multi Securities & Services Ltd.                 | 74,567,096           | 74,567,096           |
|             | Trust Bank Ltd- unsecured subordinated bonds                          | 26,506,850           | 50,976,463           |
|             | Bank Asia Ltd.-Zero Coupon Bond                                       | 7,765,827            | 15,938,547           |
|             | The Premier Bank Ltd. Non-Convertible Subordinated Bond -2015 Tranche | 198,225,013          | 304,118,377          |
|             | The Premier Bank Ltd. Subordinated Bond -2016 Tranche -1              | 60,393,076           | -                    |
|             | The Premier Bank Ltd. Subordinated Bond -2016 Tranche -2              | 144,943,382          | -                    |
|             |   | <u>676,290,134</u>   | <u>609,489,373</u>   |
| <b>7.00</b> | <b>Cash and cash equivalents :</b>                                    |                      |                      |
|             | Fixed deposit receipts  |                      |                      |
|             | Premier bank -010424600028840   | -                    | 349,383,734          |
|             | Operational accounts:   |                      |                      |
|             | One Bank Ltd (A/C 0123000722)   | 30,979,546           | 19,341,643           |
|             | Southeast Bank Ltd (A/C 00831310001)                                  | 127,100,352          | 15,094,940           |
|             | AB Bank Ltd (A/C-4005-776830-430)                                     | 15,795               | 16,624               |
|             | EXIM Bank Ltd (A/C 00113100462655)                                    | 1,074                | 2,171                |
|             | Eastern Bank Ltd (A/C 1011360215856)                                  | 5,348                | 5,374                |
|             | BRAC Bank Ltd (A/C 1503202216121001)                                  | 24,660               | 25,088               |
|             | Farmers Bank (0113000082175)  | 269,227              | 258,491              |
|             | The Premier Bank Ltd (A/C 010413600000005)                            | 6,346,753            | -                    |
|             | <i>IPO and dividend account:</i>                                      |                      |                      |
|             | AB Bank Ltd (IPO-A/C-4005-776833-430)                                 | -                    | -                    |
|             | One Bank Ltd (Div-A/C 0123001233)                                     | -                    | -                    |
|             | Southeast Bank Ltd (Div-A/C 00831310044)                              | -                    | -                    |
|             | Southeast Bank Ltd (Div-A/C 00831310000194)                           | -                    | -                    |
|             | Southeast Bank Ltd (div-A/C)- 13100000257                             | 203,902              | -                    |
|             | Escrow account- BRAC Bank Ltd (A/C-1501101738427002)                  | -                    | -                    |
|             |   | <u>164,946,657</u>   | <u>384,128,066</u>   |
| <b>8.00</b> | <b>Preliminary and issue expenses :</b>                               |                      |                      |
|             | Opening balance   | 22,591,035           | 27,519,741           |
|             | Less: Amortisation during the year                                    | 4,928,707            | 4,928,707            |
|             | Closing balance   | <u>17,662,328</u>    | <u>22,591,035</u>    |

|              |  | Amount in BDT        |                      |
|--------------|--|----------------------|----------------------|
|              |  | 2017-2018            | 2016-2017            |
| <b>9.00</b>  | <b>Others Receivable</b>                       |                      |                      |
|              | Interest receivable ( 9.1)                     | 15,026,739           | 36,544,892           |
|              | Receivable from sale of securities             | 700,102              | 700,102              |
|              | Dividend receivable                            | 10,815,918           | 18,585,677           |
|              | Closing balance                                | <b>26,542,759</b>    | <b>55,830,671</b>    |
|              | <b>9.1 Interest receivable :</b>               |                      |                      |
|              | Interest receivable from Fixed Deposit account | -                    | 19,973,104           |
|              | Interest receivable from Corporate bonds       | 12,813,628           | 16,571,789           |
|              | Interest receivable                            | 2,213,111            | -                    |
|              |  | <b>15,026,739</b>    | <b>36,544,892</b>    |
| <b>10.00</b> | <b>Advance deposit and prepayment :</b>        |                      |                      |
|              | Advance income tax deducted at source          | 265,706              | 76,254               |
|              | Deposit- Central Depository Bangladesh Limited | 500,000              | 500,000              |
|              | Prepayments ( 10.1)                            | 4,217,657            | 4,126,855            |
|              |  | <b>4,983,363</b>     | <b>4,703,109</b>     |
|              | <b>10.1 Prepayments :</b>                      |                      |                      |
|              | Annual fee-BSEC                                | 2,241,472            | 2,189,134            |
|              | Trustee fee- BGIC                              | 1,315,198            | 1,297,253            |
|              | Annual fee - DSE                               | 300,000              | 324,000              |
|              | Annual fee - CSE                               | 300,000              | 324,000              |
|              | CDBL Annual Fee                                | 60,987               | 12,468               |
|              |  | <b>4,217,657</b>     | <b>4,146,855</b>     |
| <b>11.00</b> | <b>Liability for expenses :</b>                |                      |                      |
|              | Management fee                                 | 14,948,811           | 14,310,919           |
|              | Payable to sundry securities                   | 86,400               | 5,780,425            |
|              | Custodian fee                                  | 462,832              | 325,941              |
|              | Audit fee                                      | 54,000               | 50,000               |
|              | Payable of CDBL charge                         | 57,436               | -                    |
|              | Payable for other expenses                     | 100,000              | 100,000              |
|              | Payable for publication                        | 150,000              | 150,000              |
|              |  | <b>15,859,478</b>    | <b>20,717,284</b>    |
| <b>12.00</b> | <b>Other liabilities :</b>                     |                      |                      |
|              | Other finance                                  | 681,387              | 765,039              |
|              |  | <b>681,387</b>       | <b>765,039</b>       |
| <b>13.00</b> | <b>Capital fund :</b>                          |                      |                      |
|              | <b>Size of capital fund</b>                    |                      |                      |
|              | 208,570,649 units of BDT 10 each               | 2,085,706,490        | 1,967,392,510        |
|              | Add: 7% re-investment unit (RIU)               | 155,765,980          | 118,313,980          |
|              |  | <b>2,241,472,470</b> | <b>2,085,706,490</b> |

|              |   | Amount in BDT        |                      |
|--------------|---|----------------------|----------------------|
|              |   | 2017-2018            | 2016-2017            |
| <b>14.00</b> | <b>Unrealized Gain:</b>   |                      |                      |
|              | Opening balance   | 170,720,528          | 66,733,276           |
|              | Less: (Depreciation) / Appreciation of Comparative Securities Value | (137,377,631)        | 103,987,252          |
|              | Closing balance   | <u>33,342,897</u>    | <u>170,720,528</u>   |
| <b>15.00</b> | <b>Net asset value (NAV) per unit at cost</b>                       |                      |                      |
|              | <b>At cost value :Tk. 11.89</b>                                     |                      |                      |
|              | Total Asset   | 2,681,937,609        | 2,515,711,074        |
|              | Less: Accounts Payable  | 15,859,478           | 20,717,284           |
|              | Other liabilities and provisions                                    | 681,387              | 765,039              |
|              | <b>Total net asset value at cost (numerator)</b>                    | <u>2,665,396,744</u> | <u>2,494,228,751</u> |
|              | Number of units (denominator)                                       | 224,147,247          | 208,570,649          |
|              | NAV per unit at cost  | <u>11.89</u>         | <u>11.96</u>         |
|              | <b>At market value :Tk. 12.04</b>                                   |                      |                      |
|              | Total net asset value at cost price                                 | 2,665,396,744        | 2,494,228,751        |
|              | Add: Unrealised gain on securities                                  | 33,342,897           | 170,720,528          |
|              | <b>Total net asset at market value (numerator)</b>                  | <u>2,698,739,641</u> | <u>2,664,949,279</u> |
|              | Number of units (denominator)                                       | 224,147,247          | 208,570,649          |
|              | NAV per unit at market value  | <u>12.04</u>         | <u>12.78</u>         |
| <b>16.00</b> | <b>Financial income :</b>   |                      |                      |
|              | Interest income from STD. account                                   | 6,386,542            | 6,885,844            |
|              | Interest income   | 2,213,111            | -                    |
|              | Interest income from Corporate bonds                                | 51,875,347           | 32,389,680           |
|              | Interest income from Fixed deposit account                          | 7,044,290            | 23,979,979           |
|              |   | <u>67,519,290</u>    | <u>63,255,504</u>    |
| <b>17.00</b> | <b>Net profit on sale of investment</b>                             |                      |                      |
|              | Profit on sale of Investment  | 199,897,799          | 197,067,138          |
|              | Less: Loss on sale of Investment                                    | 38,674,114           | 17,588,462           |
|              |   | <u>161,223,684</u>   | <u>179,478,675</u>   |
| <b>18.00</b> | <b>Dividend from investment :</b>                                   |                      |                      |
|              | Listed securities   | 49,232,450           | 63,456,253           |
|              | Non-listed securities   | 1,750,000            | 1,750,000            |
|              |   | <u>50,982,450</u>    | <u>65,206,253</u>    |
| <b>19.00</b> | <b>Management fees :</b>  | <u>31,662,995</u>    | <u>28,604,466</u>    |
| <b>20.00</b> | <b>Trustee fees :</b>   | <u>2,718,756</u>     | <u>2,308,628</u>     |

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.

| Amount in BDT |           |
|---------------|-----------|
| 2017-2018     | 2016-2017 |

|   |                  |                  |
|---|------------------|------------------|
| <b>21.00 BSEC annual Fee :</b>  | <u>2,085,706</u> | <u>2,262,502</u> |
| 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                  |                  |                  |
| <b>22.00 Custodian fees :</b>   | <u>1,582,744</u> | <u>1,203,173</u> |
| 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. |                  |                  |
| <b>23.00 CDBL Charges :</b>   | <u>425,529</u>   | <u>307,945</u>   |
| CDBL charge was paid to Central Depository Bangladesh Limited (CDBL) as per Annex A 1 of CDBL Bye Laws (3.7).   |                  |                  |
| <b>24.00 Listing fees expenses :</b>  |                  |                  |
| Dhaka Stock Exchange  | 346,149          | 293,678          |
| Chittagong Stock Exchange   | 346,149          | 293,678          |
|   | <u>692,298</u>   | <u>587,356</u>   |
| <b>25.00 Earnings per unit for the year</b>   |                  |                  |
| Net profit for the year (numerator)   | 233,739,187      | 265,952,450      |
| Number of units (denominator)   | 224,147,247      | 224,147,247      |
| Earnings per unit (EPS)   | <u>1.04</u>      | <u>1.19</u>      |

**Events after the reporting period**

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.

**26.00** The Trustee of the Fund has approved 2% cash dividend and Re-investment units (RIU) of 8% on the capital fund of Taka 2,241,472,470 for the year of on June 30, 2018 to be issued at a valuation of the last published NAV per unit before the Record date and at meeting held on August 14, 2018.

**27.00 Others**

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

  
**Asset Manager**  
Bangladesh RACE Management PCL

  
**Trustee**  
Bangladesh General Insurance Company Limited

Dated: Dhaka  
August 14, 2018

Annex A

AB Bank First Mutual Fund

Amount in BDT

List of the total Investment and aggregate required provision

| Particulars   | Cost value           | Fair Market value    | Required provision / (Excess) |
|---|----------------------|----------------------|-------------------------------|
| Investment in marketable securities (Note-5)        | 1,883,484,277        | 1,824,855,265        | 58,629,012                    |
| <b>Listed Securities (Annex-A1)</b>                 | <b>1,883,484,277</b> | <b>1,824,855,265</b> | <b>58,629,012</b>             |
| <b>Investment in Non-listed securities (Note-7)</b> | <b>584,318,225</b>   | <b>676,290,134</b>   | <b>(91,971,909)</b>           |
| Non listed equity Securities                        | 238,455,986          | 238,455,986          | -                             |
| Non listed debt Securities                          | 345,862,239          | 437,834,148          | (91,971,909)                  |
| <b>Total</b>  | <b>2,467,802,502</b> | <b>2,501,145,399</b> | <b>(33,342,897)</b>           |

Annex- A1

Sector-wise break up of investment in Listed securities

| Particulars                             | Number of shares  | Cost value           | Fair Market value    | Required provision / (Excess) |
|---|-------------------|----------------------|----------------------|-------------------------------|
| Bank                                    | 27,589,538        | 650,824,378          | 572,584,113          | 78,240,265                    |
| Cement                                  | 78,719            | 43,848,845           | 28,386,071           | 15,462,773                    |
| Corporate Bond                          | 2,230             | 2,029,568            | 2,145,260            | (115,692)                     |
| Engineering                             | 114,879           | 10,840,858           | 8,684,641            | 2,156,217                     |
| Food and Allied                         | 291,970           | 77,602,706           | 65,518,068           | 12,084,638                    |
| Fuel and Power                          | 867,871           | 133,477,678          | 128,952,534          | 4,525,145                     |
| Insurance                               | 846,608           | 48,393,271           | 48,007,842           | 385,428                       |
| Miscellaneous                           | 16,178            | 12,999,670           | 22,055,467           | (9,055,797)                   |
| Mutual Funds                            | 5,987,039         | 55,997,801           | 50,897,801           | 5,100,000                     |
| NBFI                                    | 1,937,642         | 179,496,453          | 188,401,723          | (8,905,270)                   |
| Pharma                                  | 722,882           | 386,230,714          | 450,707,792          | (64,477,077)                  |
| Tannery                                 | 102,821           | 103,458,069          | 101,834,440          | 1,623,629                     |
| Telecommunication                       | 561,846           | 175,643,314          | 154,542,892          | 21,100,421                    |
| Textile                                 | 57,570            | 2,640,953            | 2,136,620            | 504,332                       |
| <b>Total value of listed securities</b> | <b>39,177,793</b> | <b>1,883,484,277</b> | <b>1,824,855,265</b> | <b>58,629,012</b>             |