

**RACE SPECIAL OPPORTUNITIES UNIT FUND  
INDEPENDENT AUDITORS' REPORT  
AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**



**INDEPENDENT AUDITORS' REPORT  
TO THE UNIT HOLDERS  
OF  
RACE SPECIAL OPPORTUNITIES UNIT FUND**

**Opinion**

We have audited the financial statements of RACE SPECIAL OPPORTUNITIES UNIT FUND, which comprise the statement of financial position as at 30 June 2023, and the statement of profit or loss & other Comprehensive Income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects of the statement of financial position of RACE SPECIAL OPPORTUNITIES UNIT FUND as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

**Basis for Opinion**

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

**Other Information**

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

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

**Key Audit Matters:**

Key audit matters are those matters that, in the auditors' professional judgment, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

| <b>Risk</b>  | <b>Our response to the risk</b>  |
|--|--|
| <b>Valuation of Investments:</b><br><br>The Fund's investment portfolio Presented in the Statement of Financial Position at market value in Listed securities Tk. 340,667,567 represents 92.36% of the total assets Tk. 368,840,103 as at 30 June 2023. Unrealized Loss in Securities Tk.49,642,616.<br><br>The market value of financial instruments that are traded in an active market is determined based on quoted market prices. | <ul style="list-style-type: none"><li>• Testing the key controls over identification, Measurement and management of valuation risk as well as evaluating the methodologies and input parameters used by the Fund in determining fair values.</li><li>• Obtained year-end share holding positions from the fund and through directional testing assessed the completeness of the report;</li><li>• Obtained the CDBL report (DPA6) and share portfolio and cross checked against each other to confirm status of financial instruments;</li></ul> |



|  |  |
|--|--|
| Due to their materiality in the context of the financial statements as a whole, they are considered to be the area which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit. See annexed report of date. | <ul style="list-style-type: none"> <li>Assessing the adequacy of the disclosures in the financial statements against relevant accounting standards, the security and exchange Rules 1987, security exchange commission (Mutual Fund) Rules 2001 and other applicable laws and regulations.</li> </ul>  |
| Note no. 05 to the financial statements  |  |
| <b>Net Gain on sale of Trading securities:</b>   |  |
| Net Gain on Sale of trading securities is Represents Tk. 18,881,480 which is 44.24% of the total income of Tk. 42,678,765 for the year ended 30 June 2023.   | <p>We have tested-</p> <ul style="list-style-type: none"> <li>Ledgers which is Electronic generated from brokerage house of respected dates of securities sales and buy</li> <li>Buy and Sales rate checked with DSE website of respected dates.</li> </ul>  |
| Note no. 14.00 to the financial statements   |  |
| <b>Dividend Income:</b>  |  |
| Dividend income of Tk. 19,781,285 represents 46.35% of the total income of Tk. 42,678,765 for the year ended 30 June 2023.   | <p>We have tested the design and operating effectiveness of controls around the due and receivable recording process</p> <ul style="list-style-type: none"> <li>Comparing observable inputs against independent sources and externally available market data.</li> <li>Re-performing the calculations used to check Accuracy and correctness of information.</li> </ul> <p>Assessing the adequacy revenue recognition, measurement and disclosures made in relation to the income in the financial statements</p>  |
| Note no. 15.00 to the financial statements   |  |
| <b>Management fee:</b>   |  |
| Management fee of Tk. 7,172,457 represents 73.79% of the total expense of Tk. 9,719,491 for the year ended 30 June 2023.   | <ul style="list-style-type: none"> <li>Management fee is calculated as per the Trust deed and prospectus @ 2.00% per annum of the weekly average NAV.</li> <li>Tested some sample basis voucher with ledger balance.</li> </ul> <p>Assessing the adequacy expense recognition, measurement and disclosures made in relation to the expense in the financial statements</p>   |
| Expenditure of the financial statements  |  |
| <b>Advance Income Tax</b>  |  |
| Advance income Tax of Tk. 3,041,123 shown as tax deducted from dividend and bank interest income for the year ended 30 June 2023.  | <ul style="list-style-type: none"> <li>We have tested ledger balances of figures deducted from the dividend &amp; interest income.</li> <li>Mutual Fund income was tax exempted as per SRO No-333-Ain/Aykor/2011 (dated 27.10.2011) under ITO 1984, Section 44(4)(b). The tax exemption of Mutual Fund income remains specified in the Income Tax Act 2023, Sixth Schedule, Part-1, Clause-10 (ka). In adherence to this law, the mutual fund has not made any tax provisions in its profit or loss statement and other comprehensive income.</li> </ul> |
| Note no. 09.00 to the financial statements   |  |

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

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

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



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

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

**Report on other Legal and Regulatory Requirements**

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

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Fund so far as it appeared from our examination of those books;
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.
- d) the expenditure incurred and payments made were for the purpose of the Fund Business, and
- e) the information and explanation required by us have been received and found satisfactory.

**Md. Iqbal Hossain FCA**  
Senior Partner, Enrolment No.596 (ICAB)  
**Zoha Zaman Kabir Rashid & Co.**  
Chartered Accountants

Place: Dhaka  
Dated: August 13, 2023

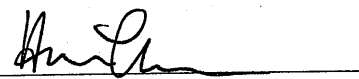
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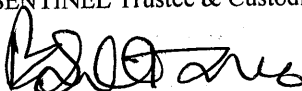
**RACE SPECIAL OPPORTUNITIES UNIT FUND**  
**Statement of Financial Position**  
**As at June 30, 2023**

| Particulars                                       | Notes | Amount in Taka     |                    |
|---|-------|--------------------|--------------------|
|   |       | 30-Jun-23          | 30-Jun-22          |
| <b>A Assets</b>                                   |       |                    |                    |
| Investment in marketable securities-at fair value | 5.00  | 340,667,567        | 386,904,888        |
| Cash & Cash Equivalents                           | 6.00  | 15,865,812         | 13,277,088         |
| Preliminary & Issue Expenses                      | 7.00  | 4,468,614          | 5,533,960          |
| Other Receivables                                 | 8.00  | 4,182,699          | 4,853,382          |
| Advance, Deposit & Prepayments                    | 9.00  | 3,655,411          | 909,381            |
| <b>Total Asset</b>                                |       | <b>368,840,103</b> | <b>411,478,698</b> |
| <b>B Liabilities</b>                              |       |                    |                    |
| Liabilities for Expenses                          | 10.00 | 6,380,357          | 3,036,700          |
| Unclaimed Dividend                                | 6.01  | 200,907            | 27,148             |
| Other Liabilities                                 | 11.00 | 809,572            | 235,806            |
| <b>Total Liabilities</b>                          |       | <b>7,390,836</b>   | <b>3,299,654</b>   |
| <b>C Net Asset (A-B)</b>                          |       | <b>361,449,267</b> | <b>408,179,045</b> |
| <b>D Equity</b>                                   |       |                    |                    |
| Capital Fund                                      | 12.00 | 341,660,510        | 341,660,510        |
| Unit Premium & TRR Reserve                        |       | 11,845,550         | 11,845,550         |
| Dividend Equalization Reserve                     |       | 4,305,382          | 4,305,382          |
| Retained Earnings                                 |       | 3,637,825          | 50,367,603         |
| <b>Total Equity</b>                               |       | <b>361,449,267</b> | <b>408,179,045</b> |
| <b>Net Asset Value (NAV)-At Cost</b>              | 13.00 | 411,091,883        | 428,827,889        |
| No. of Units                                      |       | 34,166,051         | 34,166,051         |
|   |       | <b>12.03</b>       | <b>12.55</b>       |
| <b>Net Asset Value (NAV)-at Fair Value</b>        | 13.00 | 361,449,267        | 408,179,045        |
| No. of Units                                      |       | 34,166,051         | 34,166,051         |
|   |       | <b>10.58</b>       | <b>11.95</b>       |

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

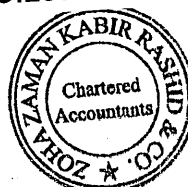
  
**Asset Manager**  
Bangladesh RACE Management PCL

  
**Chairman, Trustee**  
SENTINEL Trustee & Custodial Services Limited

  
**Md. Iqbal Hossain FCA**  
Senior Partner, Enrolment No. 596 (ICAB)  
**Zoha Zaman Kabir Rashid & Co.**  
Chartered Accountants

Dhaka,  
Date: August 13, 2023

**DVC:2308260596AS590531**





**RACE SPECIAL OPPORTUNITIES UNIT FUND**  
**Statement of Profit or Loss & other Comprehensive Income**  
**For the year ended June 30, 2023**

| Particulars   | Notes | Amount in Taka    |                   |
|---|-------|-------------------|-------------------|
|   |       | 30-Jun-23         | 30-Jun-22         |
| <b>A Operational Income</b>   |       |                   |                   |
| Net Profit on sale of Investment  | 14.00 | 18,881,480        | 55,278,429        |
| Dividend from Investment  | 15.00 | 19,781,285        | 24,419,983        |
| Financial Income  | 16.00 | 4,015,999         | 6,495,714         |
| <b>Total Operational Income</b>   |       | <b>42,678,765</b> | <b>86,194,127</b> |
| <b>B Expenditure</b>  |       |                   |                   |
| Management Fee  | 17.00 | 7,172,457         | 10,824,150        |
| Amortization of Preliminary & Issue Exp.  | 7.00  | 1,065,346         | 1,065,346         |
| Trustee Fee   | 18.00 | 699,015           | 701,815           |
| BSEC Annual Fee   |       | 430,538           | 339,005           |
| CDBL Charge   |       | 46,370            | 61,651            |
| Bank Charge   |       | 127,515           | 44,745            |
| Audit Fee   |       | 40,250            | 40,250            |
| Printing Publication & IPO expenses   |       | 138,000           | 581,000           |
| <b>Total Expenditure</b>  |       | <b>9,719,491</b>  | <b>13,657,962</b> |
| <b>C Net Profit before Provision (A-B)</b>                                      |       | <b>32,959,274</b> | <b>72,536,165</b> |
| (Total Provision for VAT & write off)/ write back against erosion of fair value | 19.00 | (30,148,386)      | (22,377,739)      |
| <b>D Net Profit after Provision transferred to retained earnings</b>            |       | <b>2,810,888</b>  | <b>50,158,425</b> |
| <b>Other Comprehensive Income:</b>  |       |                   |                   |
| Unrealized gain/(loss)  |       | -                 | -                 |
| <b>Total Profit or Loss and Other Comprehensive Income</b>                      |       | <b>2,810,888</b>  | <b>50,158,425</b> |
| <b>E Earnings Per Unit (EPU) for the period</b>                                 | 20.00 | 0.08              | 1.47              |

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

**Asset Manager**  
Bangladesh RACE Management PCL

**Chairman, Trustee**  
SENTINEL Trustee & Custodial Services Limited

**Md. Iqbal Hossain FCA**  
Senior Partner, Enrolment No. 596 (ICAB)  
**Zoha Zaman Kabir Rashid & Co.**  
Chartered Accountants

Dhaka  
Date: August 13, 2023





**RACE SPECIAL OPPORTUNITIES UNIT FUND**  
**Statement of Changes in Equity**  
**For the year ended June 30, 2023**

Amount in Taka

| Particulars                     | Capital Fund       | Unit Premium & TRR Reserve | Unrealized Gain | Dividend Equalization Reserve | Retained Earnings | Total Equity       |
|---------------------------------|--------------------|----------------------------|-----------------|-------------------------------|-------------------|--------------------|
| Balance at July 01, 2022        | 341,660,510        | 11,845,550                 | -               | 4,305,382                     | 50,367,603        | 408,179,045        |
| Dividend Paid- (2021-2022)      | -                  | -                          | -               | -                             | (49,540,665)      | (49,540,665)       |
| Net profit for the period       | -                  | -                          | -               | -                             | 2,810,888         | 2,810,888          |
| <b>Balance at June 30, 2023</b> | <b>341,660,510</b> | <b>11,845,550</b>          | <b>-</b>        | <b>4,305,382</b>              | <b>3,637,825</b>  | <b>361,449,267</b> |

**Statement of Changes in Equity**  
**For the year ended June 30, 2022**

Amount in Taka

| Particulars                     | Capital Fund       | Unit Premium & TRR Reserve | Unrealized Gain | Dividend Equalization Reserve | Retained Earnings | Total Equity       |
|---------------------------------|--------------------|----------------------------|-----------------|-------------------------------|-------------------|--------------------|
| Balance at July 01, 2021        | 430,538,180        | 28,466,820                 | 35,333,800      | 4,305,382                     | 64,789,905        | 563,434,086        |
| Fund Capital                    | (88,877,670)       | -                          | -               | -                             | -                 | (88,877,670)       |
| Unit Premium & TRR Reserve      | -                  | (16,621,270)               | -               | -                             | -                 | (16,621,270)       |
| Unrealized Gain                 | -                  | -                          | (35,333,800)    | -                             | -                 | (35,333,800)       |
| Dividend Paid- (2020-2021)      | -                  | -                          | -               | -                             | (64,580,727)      | (64,580,727)       |
| Net profit for the period       | -                  | -                          | -               | -                             | 50,158,425        | 50,158,425         |
| <b>Balance at June 30, 2022</b> | <b>341,660,510</b> | <b>11,845,550</b>          | <b>-</b>        | <b>4,305,382</b>              | <b>50,367,603</b> | <b>408,179,045</b> |

Asset Manager  
Bangladesh RACE Management PCL

Chairman, Trustee  
SENTINEL Trustee & Custodial Services Limited

Md. Iqbal Hossain FCA  
Senior Partner, Enrolment No. 596 (ICAB)  
Zoha Zaman Kabir Rashid & Co.  
Chartered Accountants

Dhaka,  
Date: August 13, 2023





**RACE SPECIAL OPPORTUNITIES UNIT FUND**  
Statement of Cash Flows  
For the year ended June 30, 2023

| Particular   | Amount in Taka      |                      |
|--|---------------------|----------------------|
|  | 30-Jun-23           | 30-Jun-22            |
| <b>A. Cash Flows from Operating Activities:</b>                          |                     |                      |
| Net Profit on Sale of Investment   | 18,881,480          | 55,278,429           |
| Dividend Income  | 19,006,174          | 25,189,373           |
| Financial Income   | 4,015,999           | 6,561,819            |
| Other Operating Expenses   | (7,482,752)         | (13,918,736)         |
| <b>Net Cash Flow from Operating Activities</b>                           | <b>34,420,901</b>   | <b>73,110,884</b>    |
| <b>B. Cash Flows from Investing Activities:</b>                          |                     |                      |
| Net Investment In Securities   | 17,534,729          | (45,249,671)         |
| <b>Net Cash used in Investing Activities</b>                             | <b>17,534,729</b>   | <b>(45,249,671)</b>  |
| <b>C. Cash Flows from Financing Activities:</b>                          |                     |                      |
| Fund Capital   | -                   | (88,877,670)         |
| Premium  | -                   | (16,621,270)         |
| Dividend Paid (2021-2022)  | (49,540,665)        | (64,580,727)         |
| Unclaimed Dividend   | 173,759             | 27,148               |
| <b>Net Cash from Financing Activities</b>                                | <b>(49,366,906)</b> | <b>(170,052,520)</b> |
| <b>D. Net Increase/(Decrease) in cash &amp; cash equivalents (A+B+C)</b> | <b>2,588,724</b>    | <b>(142,191,306)</b> |
| <b>E. Opening Cash and Cash Equivalents</b>                              | <b>13,277,088</b>   | <b>155,468,395</b>   |
| <b>F. Closing Cash and Cash Equivalents (D+E)</b>                        | <b>15,865,812</b>   | <b>13,277,088</b>    |
| <b>Net Operating Cash Flow Per Unit (NOCFPU)</b>                         | <b>1.01</b>         | <b>2.14</b>          |

**Asset Manager**  
Bangladesh RACE Management PCL

**Chairman, Trustee**  
SENTINEL Trustee & Custodial Services Limited

Dhaka,  
Date: August 13, 2023

**Md. Iqbal Hossain FCA**  
Senior Partner, Enrolment No. 596 (ICAB)  
**Zoha Zaman Kabir Rashid & Co.**  
Chartered Accountants







**RACE Special Opportunities Unit Fund**

**Notes to the Accounts**  
**For the year ended June 30, 2023**

**1. The fund and legal status**

RACE Special Opportunities Unit Fund (hereinafter called as "Fund") was established under a Trust Deed signed on 30 December 2019 between The Premier Bank Limited as a 'Sponsor' and SENTINEL Trustee & Custodial Services 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 January 2020 vide registration code no. BSEC/Mutual Fund/2020/109 under the Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001.

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

RACE Special Opportunities Unit Fund is a open-end Mutual Fund. 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 34,166,051 units of BDT 10 each. The units of the Fund are transferable.

**2. Objectives**

The objective of RACE Special Opportunities Unit 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 and accrual 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 2022 to 30 June 2023.

**3.6 Taxation**

The income of the Fund is exempted from Income Tax as per Bangladesh Gadget, Act no. 12 of the year 2023 approved by The President of The Peoples Republic of Bangladesh dated June 22, 2023

**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) as per fifth schedule, no term loan and advance shall give from mutual fund.
- (iii) as per fifth schedule not more than 10% of total assets of one scheme of a mutual fund shall invest in one company's share.
- (iv) as per fifth schedule not more than 15% of paid-up capital of a company's share shall be invested from all schemes of a mutual fund.
- (v) as per fifth schedule not more than 20% of one or group of companies' share, debenture or other securities shall be invested from all schemes of a mutual fund.
- (vi) as per fifth schedule not more than 25% in one sector/industry's share, debenture or other securities shall be invested from all scheme of a mutual fund.
- (vii) as per fifth schedule investment or loan from one scheme to another scheme shall not be made under one asset management company
- (viii) as per fifth schedule a mutual fund shall not make any loan for investment purpose
- (ix) as per fifth schedule, no expenses shall be charged in year more than 4% of weekly average NAV annually.

**4.2 Valuation of Investment at Fair Value:**

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

**4.3 Dividend Policy**

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

**4.4 Cash & cash equivalents**

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

**4.5 Net asset value calculation**

NAV per unit is being calculated using the following formula:

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

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

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

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





**4.6 Provisions**

A provision is recognised if, as a result of a past event, the Fund has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the reporting period. Provision for market unrealised loss shall be made in accordance with the rule 3(d) of 6th schedule and in case of provision write back it shall be vice versa. As per Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rule-2019, the BSEC has introduced concept of Risk Based Capital Adequacy to the capital market and in relation there is a requirement to build up Total Risk Requirement (TRR). As AMC, Bangladesh RACE Management PCI has built up adequate TRR on Balance Sheet as prudent risk management and as dividend equalization reserve when necessary for interest of unit holders the AMC has introduced TRR on the fund balance sheet.

**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 IFRS-15 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.





**5.00 Investment in marketable securities-at fair value**  
Capital Market Securities-Listed

5.01

| Amount in Taka     |                    |
|--------------------|--------------------|
| 30-Jun-23          | 30-Jun-22          |
| 340,667,567        | 386,904,888        |
| <b>340,667,567</b> | <b>386,904,888</b> |

**5.01 Capital Market Securities-Listed**

| Sector/ Category  | Amount in Taka    |                    |                              |                                 |                              |
|-------------------|-------------------|--------------------|------------------------------|---------------------------------|------------------------------|
|                   | No. of Shares     | Cost Value         | Fair Value<br>(30 June 2023) | Required<br>(Provision)/ Excess | Fair Value<br>(30 June 2022) |
| Bank              | 10,044,347        | 152,916,010        | 137,650,342                  | (15,265,668)                    | 148,812,316                  |
| Corporate Bond    | 28,805            | 31,297,497         | 30,331,665                   | (965,832)                       | 24,108,218                   |
| Food and Allied   | 3,176             | 1,745,285          | 1,835,899                    | 90,614                          | 32,922,008                   |
| Fuel and Power    | 298,718           | 14,197,153         | 11,135,549                   | (3,061,604)                     | 12,108,470                   |
| Insurance         | 3,000             | 30,000             | 230,100                      | 200,100                         | 360,432                      |
| Miscellaneous     | 200               | 352,956            | 358,780                      | 5,824                           | 346,980                      |
| NBFI              | 425,556           | 12,277,291         | 6,936,563                    | (5,340,728)                     | 7,745,119                    |
| Pharma            | 159,608           | 81,512,055         | 75,170,939                   | (6,341,116)                     | 81,468,146                   |
| Telecommunication | 268,729           | 95,981,937         | 77,017,731                   | (18,964,206)                    | 79,033,199                   |
| <b>Total</b>      | <b>11,232,139</b> | <b>390,310,183</b> | <b>340,667,567</b>           | <b>(49,642,616)</b>             | <b>386,904,888</b>           |

**Net Provision Taken (5.01)**

(49,642,616) (20,648,845)

**6.00 Cash and Cash Equivalents :**

**Bank balance with Operational Account:**

Dhaka Bank-2011520000092

526,638 508,503

Padma Bank-0113000359514

3,561,107 12,741,438

One Bank-0183000001569

11,577,160 -

**Sub-Total**

**15,664,905 13,249,941**

**Bank balance with Dividend Account:**

One Bank-0183000001478 (2021-2022)

173,676 -

Padma Bank-0113000442818

27,230 27,148

**Sub-Total**

**200,907 27,148**

**15,865,812 13,277,088**

**6.01 Unclaimed Dividend:**

Year 2021-2022

173,676 -

Year 2020-2021

27,230 27,148

**200,907 27,148**

**7.00 Preliminary and Issue Expenses :**

Opening Preliminary and Issue Expenses

5,533,960 6,599,305

Less: Amortization during the year

1,065,346 1,065,346

**4,468,614 5,533,960**

**8.00 Other Receivables :**

Dividend Receivable

8.01

3,952,540 3,177,428

Receivable from Brokerage house

230,160 1,675,954

**4,182,699 4,853,382**

**8.01 Dividend Receivable :**

EXIM Bank Limited

2,745,192 2,745,192

PHOENIXFIN

227,977 227,977

Dutch-Bangla Bank Ltd.

- 30,091

Union Bank Limited

117,777 112,169

BERGERPBL

- 2,000

IBBLPBOND

861,595 -

MARICO

- 60,000

**3,952,540 3,177,428**

**9.00 Advances, Deposits and Prepayments :**

Advance Income Tax

3,041,123 2,253

Prepayments

09.01

614,287 907,127

**3,655,411 909,381**

The Mutual Fund was tax exempted from inception, therefore during the year 2022-2023 National Board of Revenue (NBR) issued a letter for deduction of tax from dividend income upon query of some clients. Some clients deducted AIT from Fund's dividend income. Presently The income of the Fund is exempted from Income Tax as per Bangladesh Gadget, Act no. 12 of the year 2023 approved by The President of The Peoples Republic of Bangladesh dated June 22, 2023. RACE management PCL took the activities to collect the deducted Tax from clients. Now it is under process.

**9.01 Prepayments :**

Management Fee

- 29,560

Annual fee-BSEC

341,660 430,538

Advance CDBL Annual Fee

6,805 7,175

Trustee fee- SENTINEL

265,822 439,854

**614,287 907,127**





# Zoha Zaman Kabir Rashid & Co.

Chartered Accountants

## 10.00 Liabilities for expenses:

Management Fee  
Audit Fee  
Preliminary Expenses payable  
Printing & Publication Expenses

| Amount in Taka   |                  |
|------------------|------------------|
| 30-Jun-23        | 30-Jun-22        |
| 3,343,657        | -                |
| 31,500           | 31,500           |
| 2,680,100        | 2,680,100        |
| 325,100          | 325,100          |
| <b>6,380,357</b> | <b>3,036,700</b> |

## 11.00 Other Liabilities:

Liabilities for Tax  
Liabilities for VAT  
Payable for Others

|                |                |
|----------------|----------------|
| 141,588        | 2,269          |
| 523,079        | 632            |
| 144,905        | 232,905        |
| <b>809,572</b> | <b>235,806</b> |

## 12.00 Capital Fund:

Size of Fund Capital  
34,166,051 Units of Taka 10 each

|                    |                    |
|--------------------|--------------------|
| 341,660,510        | 341,660,510        |
| <b>341,660,510</b> | <b>341,660,510</b> |

## 13.00 Net Asset Value (NAV):

Total Net Assets Value at Cost  
Number of unit  
Per Unit NAV at Cost

|              |              |
|--------------|--------------|
| 411,091,883  | 428,827,889  |
| 34,166,051   | 34,166,051   |
| <b>12.03</b> | <b>12.55</b> |

a. Total Net Assets Value at Cost  
b. (Unrealized loss) or Unrealized Gain  
Total Net Assets Value at Fair Value (a+b)  
Number of unit  
Per Unit NAV at Fair Value

|                    |                    |
|--------------------|--------------------|
| 411,091,883        | 428,827,889        |
| (49,642,616)       | (20,648,845)       |
| <b>361,449,267</b> | <b>408,179,044</b> |
| 34,166,051         | 34,166,051         |
| <b>10.58</b>       | <b>11.95</b>       |

## 14.00 Net profit on sale of investment:

Net profit on sale of investment  
Total

|                   |                   |
|-------------------|-------------------|
| 18,881,480        | 55,278,429        |
| <b>18,881,480</b> | <b>55,278,429</b> |

## 15.00 Dividend income from investment:

ACI Limited  
Bangladesh Export Import Company Ltd.  
Bangladesh General Insurance Company Ltd.  
Bank Asia Ltd.  
BATBC  
BERGERPBL  
Beximco Pharmaceuticals Ltd.  
Dutch-Bangla Bank Ltd.  
EXIM Bank Limited  
Fractional Dividend  
Grameen Phone  
IBBLPBOND  
Linde Bangladesh Limited  
MARICO  
MIDASFIN  
PHOENIXFIN  
RENATA  
Summit Power Limited  
The Premier Bank Limited  
Unilever Consumer Care Limited  
Union Bank Limited

|                   |                   |
|-------------------|-------------------|
| 81,040            | -                 |
| -                 | 659,771           |
| -                 | 171,420           |
| 2,217,000         | 2,940,000         |
| 61,120            | 1,654,950         |
| -                 | 2,000             |
| 365,750           | 87,262            |
| 165,501           | 150,456           |
| 2,745,192         | 2,745,197         |
| -                 | 12,046            |
| 5,912,038         | 6,546,850         |
| 861,595           | 1,547,495         |
| 27,132            | 35,530            |
| -                 | 300,000           |
| -                 | 133,197           |
| -                 | 227,977           |
| 631,806           | 595,803           |
| 596,000           | 1,043,000         |
| 5,997,535         | 5,452,310         |
| 1,800             | 2,552             |
| 117,777           | 112,169           |
| <b>19,781,285</b> | <b>24,419,983</b> |

## 16.00 Financial Income:

Interest Income from Corporate Bonds  
Interest Income from Bank Accounts

|                  |                  |
|------------------|------------------|
| 2,177,675        | 3,246,948        |
| 1,838,325        | 3,248,767        |
| <b>4,015,999</b> | <b>6,495,714</b> |

## 17.00 Management Fee

|                  |                   |
|------------------|-------------------|
| <b>7,172,457</b> | <b>10,824,150</b> |
|------------------|-------------------|

Asset management company shall charge the fund as annual management fee for investment management @2.00%p.a of the weekly average net asset value of the fund as per Trust deed 4.3.14.





# Zoha Zaman Kabir Rashid & Co.

Chartered Accountants

| Amount in Taka |           |
|----------------|-----------|
| 30-Jun-23      | 30-Jun-22 |
| 699,015        | 701,815   |

## 18.00 Trustee fee:

SENTINEL Trustee & Custodial Services Limited the trustee of the fund is entitled to get an annual trusteeship fee @0.15% of the net asset value per annum, payable semi-annually in advance basis during the entire life of the Fund as per Trust Deed.

## 19.00 (Provision for VAT and write off)/ write back against erosion of fair value:

a. Balance Forwarded for provision from June 30 2022

b. Capital Market Securities-Listed

5.01

(b-a)(Provision)/Written Back of provision in Profit or Loss Statement for mkt loss

Provision for VAT

Total (Provision)/Writeback Charged

|              |              |
|--------------|--------------|
| (20,648,845) | -            |
| (49,642,616) | (20,648,845) |
| (28,993,771) | (20,648,845) |
| (1,154,616)  | (1,728,895)  |
| (30,148,386) | (22,377,739) |

## 20.00 Earnings Per Unit (EPU):

Net profit after (provision)/writeback of unrealize loss

Number of unit

|            |            |
|------------|------------|
| 2,810,888  | 50,158,425 |
| 34,166,051 | 34,166,051 |
| 0.08       | 1.47       |

## 21.00 Events after the Reporting Period:

The Trustee of the Fund has approved dividend for the year ended June 30, 2023 at the rate of 5.50% on the capital fund of Taka 341,660,510.00 in the form of cash and the record date will be on June 30, 2023 at the meeting held on August 13, 2023.

## 22.00 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

Chairman, Trustee  
SENTINEL Trustee & Custodial Services Limited

Dhaka  
Date: August 13, 2023

