

**Independent Auditor's Report
& Financial Statements
of
RACE Financial Inclusion Unit Fund
For the year ended 31 December 2023**



INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF TRUSTEE
OF
RACE FINANCIAL INCLUSION UNIT FUND

Opinion

We have audited the financial statements of RACE Financial Inclusion Unit Fund, which comprise the statement of financial position as at 31 December 2023, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects of the statement of financial position of RACE Financial Inclusion Unit Fund as at 31 December 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.

Risk	Our response to the risk
<p>Valuation of Investments:</p> <p>The Fund's investment portfolio Presented in the Statement of Financial Position at market value in listed securities Tk. 56,701,819 represents 20.90% of the total assets Tk. 271,350,229 and in non-listed securities Tk. 192,578,826 represents 70.97% of the total assets Tk. 271,350,229 as at 31 December 2023.</p> <p>Unrealized Loss in securities Tk. 2,666,044. This is considered to be the key driver of the Fund's capital and revenue Performance.</p> <p>The market value of financial instruments that are traded in an active market is determined based on quoted market prices.</p>	<ul style="list-style-type: none">• Testing the key controls over identification, Measurement and management of valuation risk as well as evaluating the methodologies and input parameters used by the Fund in determining fair values.• Obtained year-end share holding positions from the fund and through directional testing assessed the completeness of the report;• Obtained the CDBL report (DPA-6) and share portfolio and cross checked against each other to confirm status of financial instruments;



<p>Due to their materiality in the context of the financial statements as a whole, they are considered to be the area which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.</p>	<ul style="list-style-type: none"> Assessing the adequacy of the disclosures in the financial statements against relevant accounting standards, the security and exchange Rules 1987, security exchange commission (Mutual Fund) Rules 2001 and other applicable laws and regulations.
<p>Note no. 15.00 to the financial statements</p>	
<p>Net Gain on sale of Marketable securities:</p>	
<p>Net Gain on sale of marketable securities is Represents Tk. 645,229 which is 3.44% of the total income of Tk. 18,756,149 for the year ended 31 December 2023</p>	<p>We have tested-</p> <ul style="list-style-type: none"> Ledger which is Electronic generated from brokerage house of respected dates of securities sales and buy. Buy and sales rate checked with DSE website of respected dates.
<p>Dividend Income:</p>	
<p>Dividend income of Tk. 255,359 represents 1.36% of the total income Tk. 18,756,149 for the year ended 31 December 2023.</p>	<p>We have tested the design and operating effectiveness of controls around the due and receivable recording process</p> <ul style="list-style-type: none"> Comparing observable inputs against independent sources and externally available market data. Re-performing the calculations used to check Accuracy and correctness of information. <p>Assessing the adequacy revenue recognition, measurement and disclosures made in relation to the income in the financial statements</p>
<p>Note no. 19.00 to the financial statements</p>	
<p>Management Fee:</p>	
<p>Management fee of Tk.3,918,887represents 70.68% of the total expense of Tk. 5,544,496 for the year ended 31 December 2023.</p>	<ul style="list-style-type: none"> Management fee is calculated as per the Aset Management Company @ 1.50% per annum of the weekly average NAV. Tasted some sample basis voucher with ledger balance. <p>Assessing the adequacy expense recognition measurement and disclosures made in relation to the expense in the financial statements.</p>

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 investment was made as per Rule 56 of Bangladesh Securities & Exchange Commission (Mutual Fund) Rule, 2001;
- e) the expenditure incurred and payments made were for the purpose of the Fund Business, and
- f) the information and explanation required by us have been received and fund satisfactory.

Place: Dhaka,
Dated: February 06, 2024

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

DVC: 2403030596AS119017

A member of




Independent legal & accounting firms



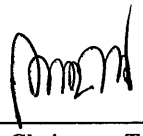
RACE FINANCIAL INCLUSION UNIT FUND
Statement of Financial Position
As at December 31, 2023

Particulars	Notes	Amount in Taka	
		31- Dec-2023	31- Dec-2022
A Assets			
Investment in marketable securities-at fair value	5.00	56,701,819	34,773,942
Investment in non-listed securities-at fair value	6.00	192,578,826	191,493,012
Cash & Cash Equivalents	7.00	15,958,792	29,655,934
Preliminary & Issue Expenses	8.00	2,604,188	3,119,101
Other Receivables	9.00	2,838,849	9,312,878
Advance, Deposit & Prepayments	10.00	667,754	362,617
Total Assets		271,350,229	268,717,484
B Liabilities			
Liabilities for Expenses	11.00	5,310,386	7,195,774
Liabilities for VAT & Tax	12.00	662,453	804,061
Unclaimed Dividend	7.01	109,426	-
Total Liabilities		6,082,265	7,999,835
C Net Assets (A-B)			
		265,267,964	260,717,649
D Shareholders' Equity			
Capital Fund	13.00	250,000,000	250,000,000
Unit Premium Reserve		1,485,000	1,485,000
Retained Earnings		13,782,964	9,232,649
Total Equity		265,267,964	260,717,649
Net Asset Value (NAV)-At Cost	14.00	267,934,007	264,147,193
No. of Units		25,000,000	25,000,000
		10.72	10.57
Net Asset Value (NAV)-at Fair Value	14.00	265,267,964	260,717,649
No. of Units		25,000,000	25,000,000
		10.61	10.43

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



Asset Manager
Bangladesh RACE Management PCL



Chairman, Trustee
SENTINEL Trustee & Custodial Services Limited

Dhaka,
Date: February 06, 2024





Md. Iqbal Hossain FCA
Senior Partner, Enrolment No: 596
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants
DVC: 2403030596AS119017



RACE FINANCIAL INCLUSION UNIT FUND
Statement of Profit or Loss & other Comprehensive Income
For the period from 01 January 2023 to 31 December 2023

Particulars	Notes	Amount in Taka	
		31- Dec-2023	31- Dec-2022
A Operational Income			
Net Profit on Sale of Investment	15.00	645,229	16,266,004
Dividend Income from Investment	16.00	255,359	8,117,053
Financial Income	17.00	17,855,561	5,999,826
Total Operational Income		18,756,149	30,382,883
B Expenditure			
Management Fee	18.00	3,918,887	3,542,415
Amortization of Preliminary & Issue Exp.	8.00	514,913	488,109
Trustee Fee	19.00	380,943	343,528
BSEC Annual Fee		250,000	125,000
CDBL Charge		46,349	77,230
Bank Charge		32,905	69,216
Audit Fee		45,500	46,500
Printing Publication & IPO expenses		355,000	345,800
Total Expenditure		5,544,496	5,037,798
C Net Profit before Provision (A-B)			
		13,211,652	25,345,084
Total Provision for VAT & Tax, Write back/(Provision) against erosion of fair value	20.00	88,662	(4,012,435)
D Net Profit after Provision transferred to retained earnings			
		13,300,314	21,332,649
E Earnings Per Unit (EPU) for the period			
	21.00	0.53	0.85

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

Asset Manager
Bangladesh RACE Management PCL

Chairman, Trustee
SENTINEL Trustee & Custodial Services Limited

Dhaka
Date: February 06, 2024

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





RACE FINANCIAL INCLUSION UNIT FUND

Statement of Changes in Equity

For the year ended December 31, 2023

Amount in Taka

Particulars	Capital Fund	Unit Premium Reserve	Retained Earnings	Total Equity
Balance at 01 January 2023	250,000,000	1,485,000	9,232,649	260,717,649
Dividend Paid (2022) Cash	-	-	(8,750,000)	(8,750,000)
Net profit for the year	-	-	13,300,314	13,300,314
Balance at December 31, 2023	250,000,000	1,485,000	13,782,964	265,267,964

Statement of Changes in Equity

For the year ended December 31, 2022

Amount in Taka

Particulars	Capital Fund	Unit Premium Reserve	Retained Earnings	Total Equity
Fund Capital	250,000,000	-	-	250,000,000
Premium on Surrendered of Unit	-	-	(12,100,000)	(12,100,000)
Premium on Sale of Unit	-	1,485,000	-	1,485,000
Net profit for the year	-	-	21,332,649	21,332,649
Balance at December 31, 2022	250,000,000	1,485,000	9,232,649	260,717,649

Asset Manager
Bangladesh RACE Management PCL

Chairman, Trustee
SENTINEL Trustee & Custodial Services Limited

Dhaka,
Date: February 06, 2024

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





RACE FINANCIAL INCLUSION UNIT FUND
Statement of Cash Flows
For the year ended December 31, 2023

Particular	Amount in Taka	
	31- Dec-2023	31- Dec-2022
A. Cash Flows from Operating Activities:		
Net Profit on sale of Investment	645,229	16,266,004
Dividend Income from Investment	230,984	8,117,053
Financial Income	17,018,181	5,488,182
Other Operating Expenses	(7,361,717)	(191,752)
Net Cash Flow from Operating Activities	10,532,677	29,679,487
B. Cash Flows from Investing Activities:		
Net Investment In Securities	(15,589,245)	(239,408,553)
Net Cash used in Investing Activities	(15,589,245)	(239,408,553)
C. Cash Flows from Financing Activities:		
Fund Capital	-	250,000,000
Dividend Paid (2022)	(8,750,000)	-
Unclaimed Dividend	109,426	-
Premium on Surrendered of Unit	-	(12,100,000)
Premium on Sale of Unit	-	1,485,000
Net Cash from Financing Activities	(8,640,574)	239,385,000
D. Net Increase/(Decrease) in cash & cash equivalents (A+B+C)	(13,697,142)	29,655,934
E. Opening Cash and Cash Equivalents	29,655,934	-
F. Closing Cash and Cash Equivalents (D+E)	15,958,792	29,655,934
Net Operating Cash Flow Per Unit (NOCFPU)	0.42	1.19

Asset Manager
Bangladesh RACE Management PCL

Chairman, Trustee
SENTINEL Trustee & Custodial Services Limited

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

Dhaka,
Date: February 06, 2024





RACE FINANCIAL INCLUSION UNIT FUND

Notes to the Accounts

For the year ended December 31, 2023

1. The fund and legal status

RACE Financial Inclusion Unit Fund (hereinafter called as "Fund") was established under a Trust Deed signed on 5th September, 2021 between Bangladesh RACE Management PCL 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 30th September, 2021 vide registration code no. BSEC/Mutual Fund/2021/123 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 Financial Inclusion 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 25,000,000 units of BDT 10 each. The units of the Fund are transferable.

2. Objectives

The RACE Financial Inclusion Unit Fund is created as a Sectoral Fund to invest majority assets in the Bond sector so as to channel stable earnings/income from fixed income instruments to investors across Bangladesh when bond markets are under stress the fund shall have the flexibility to balance/shift asset allocation to equities. The fund is created as a special purpose fund with the following objectives:

- I. The Fund is an Open-end Special Purpose fund with balanced income orientation in the Bangladesh capital market;
- II. The fund is created as a sectoral fund to invest majority assets in the bond sector so as to channel stable earnings/income from fixed income instruments to investors across Bangladesh; when bond markets are under stress the fund shall have the flexibility to balance/shift asset allocation to equities.
- III. The fund is created as a special purpose fund with the following special objectives:
 - a. To invest a majority of its assets in fixed income securities so as to generate stable returns that are superior to money market returns offered by banks;
 - b. To provide demand support for the bond market of Bangladesh;
 - c. To promote financial inclusion of non-urban retail investors (outside dhaka/Chittagong belts) into capital market fund;
 - d. To promote responsible investing by channeling capital to companies that perform well on environmental, social, governance (esg) metrics and to contribute to the nation's sustainable development goals (sdg);
 - e. To channel bank investments into capital markets by fulfilling Bangladesh Bank's requirement to invest a portion of bank's capital market exposure in special purpose mutual funds.

3. Basis of preparation

3.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) 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 January 2023 to 31 December 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, under Section 76 (10) clause (ka) approved by The President of The Peoples Republic of Bangladesh dated June 22, 2023.

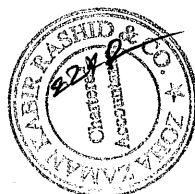
4. Significant accounting policies

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

4.1 Investment policy

The Fund shall strive to maintain the following investment exposure limits with the goal of balancing return and risk:

- (i) The Mutual Fund shall invest not less than 30% of the total assets of the scheme of the fund in government securities or government backed securities.
- (ii) Investment in the government securities shall not however exceed 60% of the total assets of the fund.
- (iii) Not more than 50% of the total assets of the fund shall be invested in listed securities; however, during periods of stress in fixed income securities market, the Fund may invest an additional 20% in cash or securities other than fixed income securities.
- (iv) Not more than 20% of the total assets of the fund shall be invested in non-listed securities that are not approved by the commission; however, government issued securities, government backed securities shall be exempt from this restriction. In case of investment in non-listed securities that are neither pre-approved by the commission nor are government issued nor are government backed securities, the asset manager shall obtain approval from the commission.





- (v) Non-Listed securities that are “investment grade” and enjoy “very strong” credit rating by a licensed credit rating agency are eligible for investment under the scheme of the mutual fund.
- (vi) The fund shall not invest more than 10% of its total assets in any one company or a group of companies under the control of a parent company. The condition shall not be applicable for investment in government securities.
- (vii) The fund shall not invest more than 10% of paid up capital (or other securities such as bond or debenture) issued by any company.

4.2 Valuation of Investment at Fair Value:

The Fund intends to determine its NAV per unit on the last business day of each week by dividing the value of the net asset of the Fund (the value of total assets less total liabilities as per Rule 60 of the total number of units outstanding. As per Section 58 of the

valuation policy of investment of the Fund needs to be approved earlier by the Bangladesh Securities and Exchange Commission. Valuation criteria so far approved by the Commission in the Trust Deed are as follows:

- 1) For listed securities, the average quoted market price on the stock exchanges on the date of valuation shall form the basis of any calculation of Net Asset Value of such securities in the portfolio of the Fund;
- 2) The Fund shall fix the valuation method for each of the schemes subject to prior approval of the Commission.
- 3) The Fund shall follow the method approved by the Commission for valuation of the non-listed investment, if any, and the Asset Management Company and the Trustee shall periodically review the value of such investment. The auditors shall comment on such investment in the annual reports of the Fund about that.
- 4) The valuation of Listed Securities but not traded within previous one month will be made within reasonable standards by the Asset Management Company and approved by the Trustee and commented upon by the Auditors in the Annual Report of the Mutual Fund but shall not be more than the intrinsic value of the securities.
- 5) For securitized debts, debentures, margin or fixed deposits, the accrued interest on such instruments on the date of valuation shall be taken into account in any calculation of Net Asset Value of such securities in the portfolio of the Fund.

4.3 Dividend Policy

- 1) The accounting year of the Fund shall end on December 31 of every calendar year or as determined by the Commission.
- 2) The growth-oriented Fund in accordance with Rule 2 [1(7)] and Rule 66 of shall distribute minimum 50%, or as may be determined by the Bidhimala from time to time, of the annual net income of the Fund as dividend at the end of each accounting period after making provision for bad and doubtful investments. The Fund shall create a dividend equalization reserve by appropriation from the income of the Scheme;
- 3) Before declaration of dividend, the Asset Management Company shall make a provision with agreement of the auditors for revaluation of investments caused from loss if market value of investments goes beyond the acquisition cost, and the method of calculation of this provision must be incorporated in the notes of accounts.
- 4) The Fund shall create a dividend equalization reserve by suitable appropriation from the income of the Fund to ensure consistency in dividend.
- 5) The Asset Management Company shall dispatch the dividend warrants at the expense of the Fund, within 45 days of the declaration of the dividend and shall submit a statement within next 7 (seven) days to the Commission, the Trustee and the Custodian.





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.

Before declaring any dividend, the fund shall provide for depreciation on investments and also make a provision for bad and doubtful investments, to the satisfaction of the auditors and shall disclose the method of depreciation and of provisioning for bad and doubtful investments, if any, in the notes to the accounts of any scheme. The Asset Management Company, with the consent of the auditor, shall make provisions for revaluation of investments to cover losses if market value of investment goes below from their acquisition cost. The method of calculation of provision must be incorporated in the notes of the Accounts of the Fund.

The Fund shall create a dividend equalization reserve by suitable appropriation from the net income of the schemes.

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.





RACE FINANCIAL INCLUSION UNIT FUND
Notes to the Financial Statements
For the period ended December 31, 2023

		Amount in Taka	
		31-Dec-23	31-Dec-22
5.00 Investment in marketable securities-at fair value			
Capital Market Securities-Listed	5.01	56,701,819	34,773,942
		<u>56,701,819</u>	<u>34,773,942</u>

5.01 Capital Market Securities-Listed

Sector/ Category	Amount in Taka				
	No. of Shares	Cost Value	Fair Value (31 Dec 2023)	Required (Provision)/ Excess	Fair Value (31 Dec 2022)
Bank	2,847,757	41,792,090	38,502,700	(3,289,390)	17,269,649
Corporate Bond	160	164,589	168,480	3,891	168,480
Food and Allied	21,516	14,552,674	12,600,829	(1,951,845)	12,371,797
Insurance	-	-	-	-	214,206
Pharma	3,900	4,757,337	4,749,810	(7,527)	4,749,810
IPO	68,000	680,000	680,000	-	-
Total	2,941,333	61,946,689	56,701,819	(5,244,870)	34,773,942

6.00 Investment in non-listed securities-at fair value

Non-Listed Private Equity-BSEC approved	6.01	192,578,826	191,493,012
		<u>192,578,826</u>	<u>191,493,012</u>

6.01 Investment in Non Listed Securities (Bond):

Particulars	No of Quantity	Amount in Taka			
		Cost Value	Fair Value (31 Dec 2023)	Required (Provision)/ Excess	Fair Value (31 Dec 2022)
Premier Bank Ltd. Corporate Bonds	19	190,000,000	192,578,826	2,578,826	191,493,012
Total of Bond	19	190,000,000	192,578,826	2,578,826	191,493,012

Net Provision Taken (5.01+6.01)	<u>(2,666,044)</u>	<u>(3,429,544)</u>
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7.00 Cash and Cash Equivalents :

Bank balance with Operational Account:

Bank Asia-62036000025	6,378,152	15,533,990
One Bank-0183000001638	9,471,213	14,121,944
Sub-Total	<u>15,849,366</u>	<u>29,655,934</u>

Restricted Cash (Dividend Accounts):

One Bank-0183000001809 (2022)	109,426	-
Sub-Total	<u>109,426</u>	<u>-</u>
	<u>15,958,792</u>	<u>29,655,934</u>

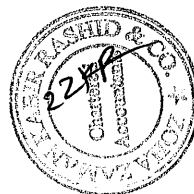
7.01 Unclaimed Dividend:

Year 2022	109,426	-
	<u>109,426</u>	<u>-</u>





		Amount in Taka	
		31-Dec-23	31-Dec-22
8.00 Preliminary and Issue Expenses :			
Preliminary and Issue Expenses		3,119,101	3,607,210
<u>Less:</u> Amortization during the year		514,913	488,109
		<u>2,604,188</u>	<u>3,119,101</u>
9.00 Other Receivables :			
Dividend Receivable	9.01	24,375	-
Interest Receivable	9.02	1,349,024	511,644
Receivable from Brokerage house	9.03	1,465,450	8,801,234
		<u>2,838,849</u>	<u>9,312,878</u>
9.01 Dividend Receivable :			
Renata Ltd.		24,375	-
		<u>24,375</u>	<u>-</u>
9.02 Interest Receivable :			
Interest receivable from Corporate Bond		1,349,024	511,644
		<u>1,349,024</u>	<u>511,644</u>
9.03 Receivable from Brokerage house:			
Multi Securities & Services Limited		1,398,627	8,734,411
Smart Trades Limited		66,823	66,823
		<u>1,465,450</u>	<u>8,801,234</u>
10.00 Advances, Deposits and Prepayments :			
Advance Income Tax		335,240	228,847
Prepayments	10.01	332,514	133,770
		<u>667,754</u>	<u>362,617</u>
10.01 Prepayments :			
Advance BSEC Annual Fee		125,000	125,000
Advance CDBL Annual Fee		8,421	8,770
Trustee fee- SENTINEL		199,093	-
		<u>332,514</u>	<u>133,770</u>
11.00 Liabilities for expenses:			
Audit Fee		31,500	31,500
Management Fee		1,674,506	3,400,718
Trustee Fee		-	309,176
Preliminary Expenses payable		3,279,280	3,279,280
Printing & Publication Expenses		325,100	175,100
		<u>5,310,386</u>	<u>7,195,774</u>
12.00 Liabilities for VAT & Tax:			
VAT & Tax Payable		662,453	804,061
		<u>662,453</u>	<u>804,061</u>
13.00 Capital Fund:			
Size of Fund Capital		250,000,000	250,000,000
25,000,000 Units of Taka 10 each		<u>250,000,000</u>	<u>250,000,000</u>





	Amount in Taka	
	31-Dec-23	31-Dec-22
14.00 Net Asset Value (NAV):		
Total Net Assets Value at Cost	267,934,007	264,147,193
Number of unit	25,000,000	25,000,000
Per Unit NAV at Cost	10.72	10.57
a. Total Net Assets Value at Cost	267,934,007	264,147,193
b. (Unrealized loss) or Unrealized Gain	(2,666,044)	(3,429,544)
Total Net Assets Value at Fair Value (a+b)	265,267,964	260,717,649
Number of unit	25,000,000	25,000,000
Per Unit NAV at Fair Value	10.61	10.43
15.00 Net profit on sale of investment:		
Net profit on sale of investment	645,229	29,931,716
Less: Loss on sale of Investment	-	13,665,712
Total	645,229	16,266,004
16.00 Dividend Income from investment:		
BATBC	205,560	513,903
Unilever Consumer Care Limited	14,400	26,400
Premier Bank Ltd.	-	7,500,023
BERGERPBL	-	3,050
EXIM Bank Limited	-	62,621
IBBLPBOND	11,024	11,056
RENATA	24,375	-
	255,359	8,117,053
17.00 Financial Income:		
Interest Income from Corporate Bonds	17,252,000	4,748,463
Interest Income from Bank Accounts	603,561	1,251,363
	17,855,561	5,999,826
18.00 Management fee:	3,918,887	3,542,415
19.00 Trustee fee:	380,943	343,528
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.		
20.00 (Provision for VAT,Tax & write off)/ write back against erosion of fair value		
a. Balance Forwarded for provision from last year	(3,429,544)	-
b. Total required (Provision)/Excess (Note 5.01+6.02)	(2,666,044)	(3,429,544)
(b-a)(Provision)/Written Back of provision in Profit or Loss Statement for mkt loss	763,500	(3,429,544)
Provision for VAT & Tax	(674,838)	(582,891)
Total (Provision)/Writeback Charged	88,662	(4,012,435)





Amount in Taka	
31-Dec-23	31-Dec-22
13,300,314	21,332,649
25,000,000	25,000,000
<u>0.53</u>	<u>0.85</u>

21.00 Earnings Per Unit (EPU):

Net profit after (provision)/writeback of unrealize loss
Number of unit

13,300,314	21,332,649
25,000,000	25,000,000
<u>0.53</u>	<u>0.85</u>

22.00 Events after the Reporting Period:

The Trustee of the Fund has approved cash dividend for the year ended 31 December 2023 at the rate of 5.50% on the capital fund of Taka 250,000,000.00 and the record date will be on 31 December 2023 at the meeting held on February 06, 2024.

23.00 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: February 06, 2024

