

**TRUST BANK 1ST MUTUAL FUND  
INDEPENDENT AUDITORS' REPORT  
AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**



**INDEPENDENT AUDITORS' REPORT  
TO THE UNIT HOLDERS  
OF  
TRUST BANK 1ST MUTUAL FUND**

**Opinion**

We have audited the financial statements of Trust Bank 1st Mutual Fund, which comprise the statement of financial position as at 30 June 2022, and the statement of profit or 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 Trust Bank 1st Mutual Fund as at 30 June 2022, 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
<b>Valuation of Investments:</b>	<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</li> </ul>
The Fund's investment portfolio presented in	





<p>the Statement of Financial Position at market value Tk. 3,098,181,932 represents 89.14% Unrealized loss in Securities and Bond Tk. 69,059,361 . 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> <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>	<p>parameters used by the Fund in determining fair values.</p> <ul style="list-style-type: none"> <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 and share portfolio and cross checked against each other to confirm status of financial instruments;</li> <li>• The market value per share of investment made in each company has been agreed to the closing price as per the DSE website.</li> <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>
<p>Note no. 5.00 &amp; 6.00 to the financial statements</p> <p><b>Dividend from investment:</b></p> <p>Dividend from investment Tk. 111,627,431 constitutes the majority portion 27.13% of the income generated from the fund.</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"> <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> <li>• Assessing the adequacy revenue recognition, measurement and disclosures made in relation to the income in the financial statements</li> </ul>
<p>Note no. 16.00 to the financial statements</p> <p><b>Liabilities for expenses:</b></p> <p>This account represents the Liabilities for expense Tk. 2,056,265 balance payable to third parties throughout the next fiscal year. Some provisions, such as audit Fee, management fee and other fee, have lent to the fund. The rest are accounted for as vendors/suppliers and accrued liabilities.</p>	<p>We have tested the design and operating effectiveness of controls around the due and provisions recording process. We carried out the following audit procedures:</p> <ul style="list-style-type: none"> <li>• Obtained the provisions register and tested for completeness of credits recorded in the register on a sample basis.</li> <li>• Obtained a sample of bill payable recording process and cross check it with ledger.</li> <li>• Obtained a sample of provision create process and cross checked those against respective ledger balances and in case of discrepancy carried out further investigation.</li> <li>• Obtained and discussed with management about their basis for provision and challenged their provision creation where appropriate.</li> <li>• Reviewed on a sample basis payment calculations owed to regulatory bodies.</li> </ul> <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.</p>
<p>Note no. 11.00 to the financial statements</p>	







<b>Advance, Deposit &amp; Prepayments:</b>  The fund has types of advance, deposit & prepayments Tk. 8,133,400 such as BSEC, DSE, CSE, AIT, Advance trustee fee-ICB & CDBL annual fees,	We have tested the maintaining effectiveness of the advance deposit and assets position held by the Fund from trusted sources. Additionally, we performed the following: <ul style="list-style-type: none"><li>• Obtain BSEC, DSE, CSE, AIT, Advance trustee fee-ICB &amp; CDBL annual fees and went through the terms and conditions of the agreement and assess imply able amount for advances.</li><li>• Finally, assessed the appropriateness and presentation of disclosures 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. 10.00 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) Rules, 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.



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- 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) Rules, 2001; and
- e) the expenditure incurred and payments made were for the purpose of the Fund Business,
- f) the information and explanation required by us have been received and found satisfactory.

Place: Dhaka,  
Dated: 14 August, 2022

**Md. Iqbal Hossain FCA**  
Partner, Enrolment No. (596) ICAB

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

DVC No.: 2208240596AS793219






## TRUST BANK 1ST MUTUAL FUND

## Statement of Financial Position

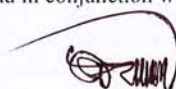
As at June 30, 2022

Particulars	Notes	Amount in Taka	
		30-Jun-22	30-Jun-21
<b>A Assets</b>			
Investment in marketable securities-at fair value	5	2,300,316,765	2,492,308,215
Investment in non-listed securities-at fair value	6	797,865,167	846,578,534
Cash & Cash Equivalents	7	337,890,156	240,247,327
Preliminary & Issue Expenses	8	5,287,642	5,985,144
Other Receivables	9	26,282,437	35,401,194
Advance, Deposit & Prepayments	10	8,133,400	7,784,721
<b>Total Asset</b>		<b>3,475,775,567</b>	<b>3,628,305,135</b>
<b>B Liabilities</b>			
Liabilities for Expenses	11	2,056,265	1,731,676
Unclaimed Dividend	7.01	8,467,160	-
Other Liabilities	12	400,939	10,248,360
<b>Total Liabilities</b>		<b>10,924,364</b>	<b>11,980,036</b>
<b>C Net Asset (A-B)</b>		<b>3,464,851,203</b>	<b>3,616,325,099</b>
<b>D Equity</b>			
Capital Fund	13	3,035,866,750	3,035,866,750
Dividend Equalization & TRR Reserve		189,620,353	189,620,353
Unrealized Gain		-	116,963,362
Retained Earnings		239,364,100	273,874,634
<b>Total Equity</b>		<b>3,464,851,203</b>	<b>3,616,325,099</b>
<b>Net Asset Value (NAV)-At Cost</b>	14	3,533,910,564	3,499,361,737
No. of Units		303,586,675	303,586,675
		<b>11.64</b>	<b>11.53</b>
<b>Net Asset Value (NAV)-at Fair Value</b>	14	3,464,851,203	3,616,325,099
No. of Units		303,586,675	303,586,675
		<b>11.41</b>	<b>11.91</b>

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

  
**Asset Manager**

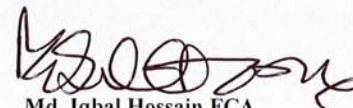
Bangladesh RACE Management PCL



**Trustee**

Investment Corporation of Bangladesh

See annexed report of the date

  
**Md. Iqbal Hossain FCA**  
 Partner, Enrolment no. 596 (ICAB)

Dhaka,  
 Date: August 14, 2022

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



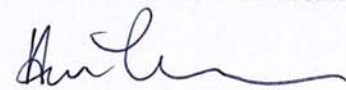




**TRUST BANK 1ST MUTUAL FUND**  
**Statement of Profit or Loss & other Comprehensive Income**  
**For the year ended June 30, 2022**

Particulars	Notes	Amount in Taka	
		30-Jun-22	30-Jun-21
<b>A Income</b>			
Net Profit on sale of Investment	15	261,524,159	91,594,547
Dividend from Investment	16	111,627,431	110,544,114
Financial Income	17	38,340,784	43,657,221
<b>Total Income</b>		<b>411,492,374</b>	<b>245,795,882</b>
<b>B Expenditure</b>			
Management Fee	18	37,837,298	34,761,015
Amortization of Preliminary & Issue Exp.	8	697,502	697,502
Trustee Fee	19	3,035,867	3,035,868
BSEC Annual Fee	20	3,035,867	3,035,867
CDBL Charge	21	646,893	468,704
Custodian Fee	22	3,420,072	3,016,424
CSE Annual Fee		600,000	600,000
DSE Annual Fee		600,000	600,000
Bank Charge		241,193	143,217
Audit Fee		58,500	45,000
Expense for Capital Market Stabilization Fund	23	2,504,498	-
Printing Publication & IPO expenses		906,874	457,392
<b>Total Expenditure</b>		<b>53,584,565</b>	<b>46,860,989</b>
<b>C Net Profit before Provision (A-B)</b>		<b>357,907,809</b>	<b>198,934,893</b>
(Total Provision for VAT, Tax & write off)/ write back against erosion of fair value		(119,190,336)	480,875,779
<b>D Net Profit after Provision transferred to retained earnings</b>		<b>238,717,474</b>	<b>679,810,671</b>
<b>E Earnings Per Unit (EPU) for the year</b>	24	<b>0.79</b>	<b>2.24</b>

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

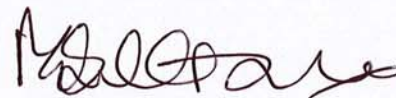


Asset Manager  
Bangladesh RACE Management PCL



Trustee  
Investment Corporation of Bangladesh

See annexed report of the date



Md. Iqbal Hossain FCA  
Partner, Enrolment no. 596 (ICAB)

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

Dhaka,  
Date: August 14, 2022





**TRUST BANK 1ST MUTUAL FUND**

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

*Amount in Taka*

Particulars	Capital Fund	Dividend Equalization & TRR Reserve	Unrealized Gain	Retained Earnings	Total Equity
Balance at July 01, 2021	3,035,866,750	189,620,353	116,963,362	273,874,634	3,616,325,099
Dividend Paid (2020-2021)	-	-	-	(273,228,008)	(273,228,008)
Net profit for the year	-	-	-	238,717,474	238,717,474
Unrealized Gain	-	-	(116,963,362)	-	(116,963,362)
<b>Balance at June 30, 2022</b>	<b>3,035,866,750</b>	<b>189,620,353</b>	<b>-</b>	<b>239,364,100</b>	<b>3,464,851,203</b>

**Statement of Changes in Equity  
For the year ended June 30, 2021**

Particulars	Capital Fund	Dividend Equalization & TRR Reserve	Unrealized Gain	Retained Earnings	Total Equity
Balance at July 01, 2020	3,035,866,750	189,620,353	-	(405,936,037)	2,819,551,066
Net profit for the year	-	-	-	679,810,671	679,810,671
Unrealized Gain	-	-	116,963,362	-	116,963,362
<b>Balance at June 30, 2021</b>	<b>3,035,866,750</b>	<b>189,620,353</b>	<b>116,963,362</b>	<b>273,874,634</b>	<b>3,616,325,099</b>



**Asset Manager**  
Bangladesh RACE Management PCL



**Trustee**  
Investment Corporation of Bangladesh

*See annexed report of the date*



**Md. Iqbal Hossain FCA**  
Partner, Enrolment no. 596 (ICAB)

Dhaka,  
Date: August 14, 2022

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







## TRUST BANK 1ST MUTUAL FUND

## Statement of Cash Flows

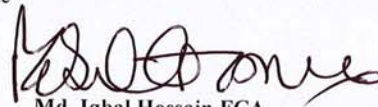
For the year ended June 30, 2022

Particular	Amount in Taka	
	30-Jun-22	30-Jun-21
<b>A. Cash Flows from Operating Activities:</b>		
Net Profit on sale of Investment	261,524,159	91,594,547
Dividend Income	103,793,836	116,831,380
Financial Income	62,008,424	46,771,882
Other Operating Expenses	(62,758,574)	(41,477,768)
<b>Net Cash Flow from Operating Activities</b>	<b>364,567,845</b>	<b>213,720,041</b>
<b>B. Cash Flows from Investing Activities:</b>		
Net Investment in Securities	(2,164,168)	(244,299,930)
<b>Net Cash used in Investing Activities</b>	<b>(2,164,168)</b>	<b>(244,299,930)</b>
<b>C. Cash Flows from Financing Activities:</b>		
Dividend Paid (2020-2021)	(273,228,008)	-
Unclaimed Dividend	8,467,160	-
<b>Net Cash from Financing Activities</b>	<b>(264,760,847)</b>	<b>-</b>
<b>D. Net Increase/(Decrease) in cash &amp; cash equivalents (A+B+C)</b>	<b>97,642,830</b>	<b>(30,579,889)</b>
<b>E. Opening Cash and Cash Equivalents</b>	<b>240,247,327</b>	<b>270,827,217</b>
<b>F. Closing Cash and Cash Equivalents (D+E)</b>	<b>337,890,156</b>	<b>240,247,327</b>
<b>Net Operating Cash Flow Per Unit (NOCFPU)</b>	<b>1.20</b>	<b>0.70</b>

  
 Asset Manager  
 Bangladesh RACE Management PCL

  
 Trustee  
 Investment Corporation of Bangladesh

See annexed report of the date

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

Dhaka,  
 Date: August 14, 2022



**TRUST BANK 1ST MUTUAL FUND****Notes to the Accounts  
For the year ended 30 June 2022****1. The fund and legal status**

Trust Bank 1st Mutual Fund (hereinafter called as "Fund") was established under a Trust Deed signed on 03 September 2009 between Trust Bank Limited as a 'Sponsor' and the Investment Corporation of Bangladesh (ICB) as a "Trustee". The Fund was registered under the Trust Act 1882 as well as under the Bangladesh Securities and Exchange Commission (BSEC) on 07 September 2009 vide registration code no. BSEC/Mutual Fund/2009/14 under the Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala 2001. The operations of the Fund was commenced on 27 January 2011 by listing with Dhaka and Chittagong Stock Exchanges.

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.

Trust 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 303,586,675 units of BDT 10 each. The units of the Fund are transferable.

**2. Objectives**

The objective of Trust Bank 1st 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 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.

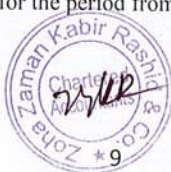
**3.4 Use of estimates and judgments**

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 2021 to 30 June 2022.



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### 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 Trustant 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 been set in accordance with Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala 2001 including amendments if any:

- (i) as per Rule 55 (02) of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala 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 be given from the mutual fund.
- (iii) as per fifth schedule not more than 10% of total assets of one scheme of a mutual fund shall be invested 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.
- (x) As per trust deed (clause: 3.2.22) In the event the weight-age of shares exceed the limits laid down in the Offer Document or in the Bidhimala for the relative movement in the market prices of the investments including subscription of right shares or through any disinvestments, the Asset Management Company shall make its best endeavors to bring the exposure within the prescribed limits within six months of the event. But in any case the Asset Management Company shall not invest further in such Securities or sectors while the deviation exists.

### 4.2 Valuation Policy

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, Trust Bank 1st Mutual 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.

- (i) For Capital Market Securities-Listed:

The Capital Market Securities-Listed are valued at the closing quoted market price only on the Dhaka Stock Exchange on the date of Valuation i.e., on June 30, 2022 as per IFRS-13 Fair Value Measurement, Capital Market Securities-Listed (Mutual Fund) are valued considering the quoted market price and last disclosed NAV on June 30, 2022 by the methodology provided by BSEC vide directive no. SEC/CMRRCD/2009/193/172 dated June 30, 2015.





(ii) For Capital Market Securities-Non listed:

Capital Market Securities-Non listed (Unit Fund) are valued at the repurchase price which is enforceable on June 30, 2022 declared by respective AMC and this is also a quoted price as per IFRS-13 Capital Market Securities-Non listed (Bond) are valued at fair value by applying the methodology as per IFRS-13 using Present Value technique under Income approach and in compliance with Rules 58 of Securities and Exchange Commission (Mutual Fund) Bidhimala, 2001. For the fiscal year 2021-2022, a provision has been taken against "The Regent Corporate Bond-2015" due to COVID-19 pandemic related uncertainty in timely repayment of the Bond's receivables.

(iii) For Non-Listed Private Equity -BSEC approved:

The Fund has invested in the equity of two non-listed companies. Both of which are regulated, one of them is regulated by Bangladesh Bank and other is regulated by Bangladesh Securities and Exchange Commission.

The investment in shares of Padma Bank Limited has been approved by BSEC vide letter no. SEC/MF & SPV/MF-02/2009/467 dated May 31, 2012. Padma Bank is a Bangladesh Bank Regulated entity and going concern. Moreover, Padma Bank Ltd. has investment from Govt. Banks and financial institutions which owns 65% of the total equity of the banks. Therefore, Padma Bank Ltd. is considered a going concern and investment is held at cost. The investment in shares of Multi Securities and Services Limited has been approved by BSEC vide letter no. SEC/MF & SOV/MF-02/2009/783 dated November 04, 2015. The company is regulated by BSEC and is a going concern and has been paying dividends. Using prudence and conservative principal of accounting this investment is also held at cost.

**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 amortized on that date + Printing, publication and stationery expenses amortized 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 recognized 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 unrealized 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 PCL has built up adequate TRR on Balance Sheet as prudent risk management. Further in interest of unitholders the dividend equalization reserve may be used to enhance a period's dividend payout using this reserve built up in previous 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 recognized as per BAS-18 and Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala 2001.

**4.8 Statement of cash flows**

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





## TRUST BANK 1ST MUTUAL FUND

## Notes to the Financial Statements

For the year ended June 30, 2022

## 5.00 Valuation of Marketable Investment at Fair Value

Capital Market Securities-Listed

5.01

Amount in Taka	
30-Jun-22	30-Jun-21
2,300,316,765	2,492,308,215
<b>2,300,316,765</b>	<b>2,492,308,215</b>

## 5.01 Capital Market Securities-Listed

Sector/ Category	Amount in Taka				Fair Value (30 June 2021)
	No. of Shares	Cost Value	Fair Value (30 June 2022)	Required (Provision)/ Excess	
Bank	60,733,235	1,031,352,375	931,571,684	(99,780,692)	929,718,191
Cement	-	-	-	-	2,252,609
Corporate Bond	130	115,415	139,945	24,530	131,885
Food and Allied	266,356	153,107,850	145,097,443	(8,010,408)	124,178,329
Fuel and Power	2,011,038	89,511,301	75,413,925	(14,097,376)	100,205,205
Insurance	315,952	31,711,899	21,286,292	(10,425,607)	38,851,359
Miscellaneous	20,665	4,028,592	3,499,709	(528,883)	122,535,800
Mutual Funds	13,034,707	134,682,267	117,238,919	(17,443,347)	126,526,501
NBFI	2,651,563	106,367,693	77,032,340	(29,335,353)	320,261,018
Pharma	1,483,093	666,722,635	794,289,802	127,567,167	562,950,502
Tannery	21,929	23,315,132	20,529,930	(2,785,202)	16,431,746
Telecommunication	1,273,465	146,021,505	114,216,777	(31,804,729)	148,265,070
<b>Total</b>	<b>81,812,133</b>	<b>2,386,936,665</b>	<b>2,300,316,765</b>	<b>(86,619,900)</b>	<b>2,492,308,215</b>

## 6.00 Valuation of Non-listed Investment at Fair Value

Capital Market Securities-Non Listed

6.01

629,560,539

678,273,906

Non-Listed Private Equity-BSEC approved

6.02

168,304,628

168,304,629

<b>797,865,167</b>	<b>846,578,534</b>
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## 6.01 Capital Market Securities-Non Listed

Particulars	Amount in Taka			
	Cost Value	Fair Value (30 June 2022)	Required (Provision)/ Excess	Fair Value (30 June 2021)
ICBAMCL Converted First Unit Fund	-	-	-	1,598,408
First ICB Unit Fund	-	-	-	15,493,373
Second ICB Unit Fund	-	-	-	6,688,313
Third ICB Unit Fund	-	-	-	12,609,760
Fourth ICB Unit Fund	-	-	-	12,135,948
Fifth ICB Unit Fund	-	-	-	14,295,344
Sixth ICB Unit Fund	-	-	-	10,165,458
Seventh ICB Unit Fund	-	-	-	19,047,902
Eighth ICB Unit Fund	-	-	-	14,251,140
HFAML Unit Fund	3,000,000	3,598,570	598,570	3,573,629
ICB AMCL Second NRB Unit Fund	-	-	-	3,865,028
<b>Capital Market Securities-Non Listed (Unit Fund)</b>	<b>3,000,000</b>	<b>3,598,570</b>	<b>598,570</b>	<b>113,724,301</b>

## Investment in Non Listed Securities (Bond):

Best Holding Ltd. Convertible Bond	144,000,000	144,000,000	-	158,801,760
Regent Spinning Mills Corporate Bond	70,000,000	70,000,000	-	136,000,000
Premier Bank Ltd. Corporate Bonds	395,000,000	411,961,969	16,961,969	269,747,844
<b>Capital Market Securities-Non Listed (Bond)</b>	<b>609,000,000</b>	<b>625,961,969</b>	<b>16,961,969</b>	<b>564,549,604</b>
<b>Total of Unit Fund and Bond</b>	<b>612,000,000</b>	<b>629,560,539</b>	<b>17,560,539</b>	<b>678,273,906</b>







Amount in Taka	
30-Jun-22	30-Jun-21

## 6.02 Non Listed Private Equity-BSEC approved

Particulars	Amount in Taka		
	Cost Value	Fair Value (30 June 2022)	Required (Provision)/ Excess
Padma Bank Limited	99,444,443	99,444,443	-
Multi Securities & Services Limited	68,860,185	68,860,185	-
<b>Total of BSEC approved Private Equity Investment</b>	<b>168,304,628</b>	<b>168,304,628</b>	<b>-</b>
<b>Net Provision Taken (5.01+6.01+6.02)</b>		<b>(69,059,361)</b>	<b>116,963,362</b>

## 7.00 Cash and Cash Equivalents :

Bank balance with Operational Account:

Padma Bank-0113500360817/0210640	-	22,831,868
Padma Bank-0132200389128	-	10,000,000
Padma Bank-0132200389129	-	50,000,000
Padma Bank-0132200389130	-	10,000,000
Trust Bank-(A/C-0017-0320000647)	23,831,176	6,019,895
Eastern Bank Limited-(A/C-1011360223297)	3,173	3,113
Premier Bank(A/C-10413600000002)	7,955,040	7,959,190
Dhaka Bank-2011520000117	16,353,705	-
Southeast Bank Limited-(A/C-008313100000003)	99,653,521	119,569,327
One Bank Limited-(A/C-01230000664)	160,200,042	325,427
Padma Bank Mir Br ( 0113000268542)	20,902,290	10,564,352

Restricted Cash (IPO & Dividend Accounts):

Eastern Bank Limited-(A/C-101141360096314)	2,269	18,226,048
Southeast Bank Limited-(A/C-13100000040)	16	109,091
Trust Bank-(A/C-0017-0320000941)	1,021	40,047,510
One Bank-(A/C-0013000001299)	3	77,157
Southeast Bank Limited-8313100000133- (2014-15)	-	48,990
Southeast Bank Limited-8313100000188- (2015-16)	2	19,547
Southeast Bank-13100000251	13	1,232,861
Bank Asia Ltd- A/C- 4936000128	10,201	1,135,755
Bank Asia Ltd- A/C- 4936000137	2,647,091	2,628,485
Bank Asia-04936000152	6,322,847	-
Trust Bank Ltd. A/C -0017-0320000665	7,748	11,665,039

Less: Unclaimed Cash Dividend from Previous year

7.01

337,890,156	312,463,654
-	72,216,327
<b>337,890,156</b>	<b>240,247,327</b>

## 7.01 Unclaimed Dividend:

Year 2020-2021	6,322,847	-
Year 2018-2019	2,123,042	2,104,436
Year 2017-2018	10,201	1,102,795
Year 2016-2017	13	1,181,095
Year 2015-2016	2	19,547
Year 2014-2015	0	48,437
Year 2013-2014	3	70,436
Year 2012-2013	16	100,454
Year 2011-2012	2,269	17,176,368
Year 2010-2011	1,021	39,066,931
Year 2008-2009	-	11,345,827
IPO A/C	7,748	-
	<b>8,467,160</b>	<b>72,216,327</b>

## 8.00 Preliminary and Issue Expenses :

Opening balance	5,985,144	6,682,646
<u>Less: Amortization during the period</u>	<u>697,502</u>	<u>697,502</u>
	<b>5,287,642</b>	<b>5,985,144</b>





		Amount in Taka	
		30-Jun-22	30-Jun-21
<b>9.00 Other Receivables :</b>			
Interest Receivable		7,455,260	31,122,900
Dividend Receivable	9.01	11,876,240	4,042,645
Receivable from Brokerhouse		6,950,937	235,649
		<b>26,282,437</b>	<b>35,401,194</b>
<b>9.01 Dividend Receivable :</b>			
ACI Formulation		-	58,250
Aramit Ltd		-	4,840
Dhaka Bank Ltd.		-	59,535
Heidelberg Cement		-	14,154
IBBL LP Bond		-	10,244
Islami Bank Ltd.		-	1,677,264
Lafarge Surma Cement		-	76,804
One Bank Ltd.		-	1,142,472
Southeast Bank Ltd.		-	999,082
Phoenix Finance & Investments Ltd.		379,232	-
Standard Bank Ltd		1,525,554	-
Berger Paint Ltd.		6,650	-
Exim Bank Ltd.		8,576,226	-
AB Bank Ltd.		153,330	-
Union Bank Limited		112,169	-
Social Islami Bank Ltd		49,315	-
Bata Shoe Company Ltd		54,823	-
Multi Securities & Services Ltd.		1,018,943	-
		<b>11,876,240</b>	<b>4,042,645</b>
<b>10.00 Advances, Deposits and Prepayments :</b>			
Advance Income Tax		2,190,923	2,069,933
Advance Security deposit		500,000	500,000
Prepayments	10.01	5,442,477	5,214,787
		<b>8,133,400</b>	<b>7,784,721</b>
<b>10.01 Prepayments :</b>			
Annual fee-BSEC		3,035,867	3,035,867
Trustee fee- ICB		1,745,624	1,517,934
Annual fee - DSE		300,000	300,000
Annual fee - CSE		300,000	300,000
CDBL Annual Fee		60,986	60,986
		<b>5,442,477</b>	<b>5,214,787</b>
<b>11.00 Liabilities for expenses:</b>			
Audit Fee		40,500	40,500
Management Fee		46,999	-
Custodian Fee		1,643,666	1,481,176
Printing & Publication & IPO Expenses		325,100	210,000
		<b>2,056,265</b>	<b>1,731,676</b>
<b>12.00 Other Liabilities:</b>			
Liabilities for Tax & VAT		400,939	10,248,360
		<b>400,939</b>	<b>10,248,360</b>
<b>13.00 Capital Fund:</b>			
Size of Fund Capital			
303,586,675 Units of Taka 10 each		3,035,866,750	3,035,866,750
		<b>3,035,866,750</b>	<b>3,035,866,750</b>
<b>14.00 Net Asset Value (NAV):</b>			
Total Net Assets Value at Cost		3,533,910,564	3,499,361,737
Number of unit		303,586,675	303,586,675
<b>Per Unit NAV at Cost</b>		<b>11.64</b>	<b>11.53</b>
a. Total Net Assets Value at Cost		3,533,910,564	3,499,361,737
b. (Unrealized loss) or Unrealized Gain		(69,059,361)	116,963,362
Total Net Assets Value at Fair Value (a+b)		<b>3,464,851,203</b>	<b>3,616,325,099</b>
Number of unit		303,586,675	303,586,675
<b>Per Unit NAV at Fair Value</b>		<b>11.41</b>	<b>11.91</b>







		Amount in Taka	
		30-Jun-22	30-Jun-21
<b>15.00 Net profit on sale of investment:</b>			
Net profit on sale of investment		273,492,838	158,341,489
Less: Loss on sale of Investment		11,968,679	66,746,942
<b>Total</b>		<b>261,524,159</b>	<b>91,594,547</b>
<b>16.00 Dividend from investment:</b>			
Listed securities		108,037,581	103,366,823
Non-Listed securities		3,589,851	7,177,292
		<b>111,627,431</b>	<b>110,544,114</b>
<b>17.00 Financial Income:</b>			
Interest Income from Corporate Bonds		26,638,220	31,186,209
Interest Income from Bank Accounts		11,702,564	12,471,012
		<b>38,340,784</b>	<b>43,657,221</b>
<b>18.00 Management fee:</b>			
		<b>37,837,298</b>	<b>34,761,015</b>
<b>19.00 Trustee fee:</b>			
		<b>3,035,867</b>	<b>3,035,868</b>
Investment Corporation of Bangladesh (ICB) 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.			
<b>20.00 BSEC annual fee:</b>		<b>3,035,867</b>	<b>3,035,867</b>
Annual fee paid to BSEC as per Rules 11 (1) of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala, 2001.			
<b>21.00 CDBL Charge:</b>		<b>646,893</b>	<b>468,704</b>
CDBL charge paid to Central Depository Bangladesh Limited (CDBL) as per Annexure A-1 of CDBL Bye Laws (3.7).			
<b>22.00 Custodian fee:</b>		<b>3,420,072</b>	<b>3,016,424</b>
Investment Corporation of Bangladesh (ICB) the custodian of the fund is entitled to receive a safekeeping fee @ 0.10% on the balance of securities calculated on average month end value per annum as per Trust Deed.			
<b>23.00 Expenses for Capital Market Stabilization Fund</b>		<b>2,504,498</b>	<b>-</b>
In compliance with BSEC Rule-SEC/SRMIC/165-2020/part-1/166 unpaid/ unclaimed dividend with accrued interest has been transferred to BSEC Capital Market Stabilization Fund. This figure had been accrued as income in previous period but balance was not transferred to operation accounts, now full amount of unclaimed dividend and accrued interest transferred to CMSF fund as per new circular.			
<b>24.00 Earnings Per Unit (EPU):</b>			
Net profit after (provision)/writeback of unrealize loss		238,717,474	679,810,671
Number of unit		303,586,675	303,586,675
		<b>0.79</b>	<b>2.24</b>
<b>25.00 Events after the Reporting Period:</b>			

The Trustee of the Fund has approved dividend for the year ended June 30, 2022 at the rate of 7.00% on the capital fund of Taka 3,035,866,750.00 in the form of cash and the record date will be on September 06, 2022, at the meeting held on August 14, 2022.





Amount in Taka	
30-Jun-22	30-Jun-21

**26.00 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 and name of previous year have been rearranged wherever considered necessary, to conform with the current year's presentation.

**Asset Manager**  
Bangladesh RACE Management PCL

**Trustee**  
Investment Corporation of Bangladesh (ICB)

Dhaka,  
Date: August 14, 2022

