

EDGE Bangladesh Mutual Fund
Independent Auditor's Report and
Audited Financial Statements
For the year ended 31 December 2022



ACNABIN

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NETWORK MEMBER

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Independent Auditor's Report to the Unitholders of EDGE Bangladesh Mutual Fund

Qualified Opinion

We have audited the accompanying financial statements of EDGE Bangladesh Mutual Fund ("here-in-referred to as "the Fund"), which comprise Statement of Financial position as at 31 December 2022, Statement of Profit or Loss and Other Comprehensive Income and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the 'Basis for Qualified Opinion' paragraph of our report, the accompanying financial statements present fairly, in all material respects, the financial statements of EDGE Bangladesh Mutual Fund give a true and fair view of the Financial Position as at 31 December 2022, Financial Performance and its Statement of Cash Flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs) and comply with Companies act 1994, Securities and Exchange Rules 1987, Securities and Exchange Commission (Mutual Fund) Rules 2001 and other applicable laws and regulations as explained in the note 02 to the financial statements.

Basis for Qualified Opinion

According to The Mutual Fund Rule 2001, Schedule 5 of Rules 56, the mutual fund shall not invest more than 10% of its total assets in any particular company's securities. However, as disclosed in Annexure-A and explained in note 20 of the Financial Statements, amount of investment in shares of BRAC Bank Limited and Marico Bangladesh Limited is found to be more than allowable limit under the said rule.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement were of most significance in our audit of the financial statements of the current year. These matters 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.



We focused on the valuation and existence of the investments in different types of securities because these investments represent the principal element of the Net Assets Value as disclosed in the financial position in the financial statements. We have reviewed the market value of the investments at the reporting date and also checked if the gain/loss on the investments has been accounted properly.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting policies described in the note # 2.0 to the financial statements, 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 judgement 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.
- 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



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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 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.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Fund to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, Securities and Exchange Rules 1987, Securities and Exchange Commission (Mutual Fund) Rules 2001, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Fund so far as it appeared from our examination of these books; and
- 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.

Dated, Dhaka

13 FEB 2023

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Chartered Accountants Firm

Md. Mominul Karim, FCA

Partner

Enrolment No: 934

DVC: 2302130934AS150982





**EDGE Bangladesh Mutual Fund
Statement of Financial Position
as at 31 December 2022**

| Particulars | Notes | 31-Dec-22 | 31-Dec-21 |
|--|-------|--------------------|--------------------|
| | | Taka | Taka |
| ASSETS | | | |
| Investments - at market price | 3 | 168,298,956 | 245,928,889 |
| Other receivables | 4 | 1,939,310 | 2,061,250 |
| Preliminary and issue expenses | 5 | 663,205 | 919,364 |
| Advances | 6 | 170,551 | 186,633 |
| Fixed deposit receipts (FDRs) | 7 | - | - |
| Cash and cash equivalents | 8 | 95,279,143 | 169,296,082 |
| | | 266,351,164 | 418,392,217 |
| EQUITY AND LIABILITIES | | | |
| <u>Shareholders' Equity</u> | | | |
| Unit capital | 9 | 232,237,760 | 288,733,320 |
| Unit premium reserve | 10 | (3,906,552) | 4,088,586 |
| Retained earnings | | 36,332,680 | 121,751,240 |
| Total | | 264,663,888 | 414,573,146 |
| <u>Current Liabilities</u> | | | |
| Accounts payable | 11 | 76,882 | 1,602,820 |
| Liability for expenses | 12 | 1,610,395 | 2,216,251 |
| Total | | 1,687,277 | 3,819,071 |
| Total Equity and Liabilities | | 266,351,164 | 418,392,217 |
| Net asset value (NAV) | | 264,663,887 | 414,573,146 |
| Net Asset Value (NAV) per unit: | | | |
| At cost | 13 | 11.63 | 13.56 |
| At market price | 14 | 11.40 | 14.36 |

These financial statements should be read in conjunction with annexed notes

Trustee

Sandhani Life Insurance Company Limited

Chief Executive Officer
EDGE AMC Limited

Dated, Dhaka

13 FEB 2023

ACNABIN

Chartered Accountants

Md. Mominul Karim, FCA

Partner

Enrolment No: 934

DVC:2302130934AS150982



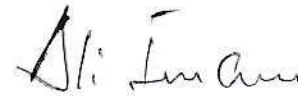
EDGE Bangladesh Mutual Fund
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2022

| Particulars | Notes | 31-Dec-22 | 31-Dec-21 |
|---|-------|---------------------|-------------------|
| | | Taka | Taka |
| Income | | | |
| Interest income | 15 | 4,649,594 | 3,925,416 |
| Net gain on sale of marketable securities | 16 | 7,172,573 | 91,383,340 |
| Dividend income | 17 | 8,272,672 | 10,682,370 |
| Unrealized (loss)/gain on securities | 18 | (28,528,125) | (13,318,774) |
| | | (8,433,287) | 92,672,352 |
| Less: Expenses | | | |
| Management fee | | 6,229,343 | 7,566,949 |
| Amortization of preliminary and issue expenses | | 256,159 | 256,159 |
| BSEC annual fee | | 346,300 | 309,130 |
| CDBL charges | | 25,538 | 24,594 |
| CDBL settlement and demat charges | | 41,069 | 96,054 |
| Trustee fee | | 389,803 | 322,925 |
| Custodian fee | | 156,754 | 219,349 |
| IPO subscription fee | | 30,000 | 35,000 |
| Brokerage commission | | 507,561 | 1,350,408 |
| Audit fee | | 50,000 | 50,000 |
| Printing and publications | | 103,975 | 120,250 |
| Bank charges and excise duties | | 78,500 | 179,967 |
| Other operating expenses | | 917,941 | 44,168 |
| | | 9,132,943 | 10,574,953 |
| Profit/(loss) for the year/period | | (17,566,230) | 82,097,398 |
| Add: Other comprehensive income | | - | - |
| Total comprehensive income for the year/period | | (17,566,230) | 82,097,398 |
| Earnings Per Unit for the year/period | 19 | (0.76) | 2.84 |

These financial statements should be read in conjunction with annexed notes



Trustee
Sandhani Life Insurance Company Limited



Chief Executive Officer
EDGE AMC Limited

Dated, Dhaka
13 FEB 2023

ACNABIN
Chartered Accountants



Md. Mominul Karim, FCA
Partner
Enrolment No: 934

DVC:2302130934AS150982





**EDGE Bangladesh Mutual Fund
Statement of Changes in Equity
For the year ended 31 December 2022**

Amount in Taka

| Particulars | Unit capital | Unit premium reserve | Retained earnings | Total equity |
|---------------------------------------|--------------------|----------------------|--------------------|--------------------|
| Balance as at 01 January 2021 | 309,740,220 | 13,698,544 | 48,946,048 | 372,384,812 |
| Unit capital raised during the year | 75,180,630 | 23,171,596 | - | 98,352,226 |
| Unit surrendered | (96,187,530) | (32,781,554) | - | (128,969,084) |
| Transfer from UPR to RE | - | - | - | - |
| Dividend paid during the year | - | - | (9,292,207) | (9,292,207) |
| Net profit during the year | - | - | 82,097,398 | 82,097,398 |
| Balance as at 31 December 2021 | 288,733,320 | 4,088,586 | 121,751,240 | 414,573,146 |
| Balance as at 01 January 2022 | 288,733,320 | 4,088,586 | 121,751,240 | 414,573,146 |
| Unit capital raised during the year | 46,628,340 | 10,068,310 | - | 56,696,650 |
| Unit surrendered | (103,123,900) | (18,063,448) | - | (121,187,348) |
| Transfer from UPR to RE | - | - | - | - |
| Dividend paid during the year | - | - | (67,852,330) | (67,852,330) |
| Net profit during the year | - | - | (17,566,230) | (17,566,230) |
| Balance as at 31 December 2022 | 232,237,760 | (3,906,552) | 36,332,680 | 264,663,888 |

Trustee
Sandhani Life Insurance Company Limited

Chief Executive Officer
EDGE AMC Limited



EDGE Bangladesh Mutual Fund
Statement of Cash Flows
For the year ended 31 December 2022

| | 31-Dec-22 | 31-Dec-21 |
|--|----------------------|---------------------|
| | Taka | Taka |
| A. Cash flows from operating activities | | |
| Interest income from Bank A/C | 4,104,672 | 3,826,860 |
| Interest income FDRs | - | 1,050,750 |
| Gain on sale of investments | 7,172,573 | 91,383,340 |
| Dividend income | 7,405,704 | 10,028,020 |
| Advances CDBL fee | (26,000) | (26,000) |
| Bank charge and excise duties | (134,190) | (136,277) |
| CDBL charges | (41,069) | (109,308) |
| IPO Application fee | (30,000) | (35,000) |
| Brokerage commission | (507,561) | (1,350,408) |
| Advertising and promotion | (103,975) | (120,250) |
| Custodian fee | (223,995) | (81,538) |
| Audit fee | (50,000) | (50,000) |
| Management fee | (6,767,958) | (7,035,832) |
| BSEC annual fee | (329,757) | (363,737) |
| Trustee fee | (389,803) | (322,925) |
| BO account fee | (1,800) | (1,800) |
| IT expense | (19,811) | (21,000) |
| Net cash from operating activities | 10,057,030 | 96,634,894 |
| B. Cash flows from investing activities | | |
| Net investment in fixed deposit instruments | - | 28,500,000 |
| Net investment in shares and securities | 59,562,438 | 64,025,286 |
| Net investment in bonds & bills | (9,823,130) | - |
| Net investment in IPO | - | - |
| Net cash from investing activities | 49,739,308 | 92,525,286 |
| C. Cash flows from financing activities | | |
| Proceeds from issuance of units | 6,299,596 | 85,286,921 |
| Proceeds made for re-purchase of units | (122,656,940) | (115,372,314) |
| Dividend paid | (17,455,933) | (2,313,541) |
| Net cash from financing activities | (133,813,277) | (32,398,935) |
| Net cash flows for the year/period | (74,016,939) | 156,761,245 |
| Cash and cash equivalents at the beginning of the year/period | 169,296,080 | 12,534,834 |
| Cash and cash equivalents at the end of the year/period | 95,279,141 | 169,296,080 |
| Net operating cash flows per unit | 0.43 | 3.35 |

Trustee
Sandhani Life Insurance Company Limited

Chief Executive Officer
EDGE AMC Limited

EGDE Bangladesh Mutual Fund
Notes to the Financial Statements
As at and for the period ended 31 December 2022

1 Legal Status and Nature of the Company

1.01 The Fund and its Objectives

EDGE Bangladesh Mutual Fund (hereinafter referred to as "the Fund") was established as a Trust under the Trust Act, 1882 and registered with Sub-Registrars Office under the Registration Act, 1908, on May 31, 2018. The Fund received Registration Certificate from the Bangladesh Securities and Exchange Commission (BSEC) on June 19, 2018 under the Securities and Exchange Commission (Mutual Fund) Rules, 2001. The BSEC approved the Fund and provided consent on July 23, 2018. The initial size of the Fund is Tk. 100,000,000 (Taka one hundred million only) divided into 10,000,000 units of Tk. 10 each. Subsequently, the unit capital of the Fund now stands at Tk. 309,740,220.

Key Partners of the Fund are as follows:

| | |
|--------------------|--|
| Sponsor | : EDGE AMC Limited |
| Registered Address | : Rupayan Prime, Unit B-10, House 2, Road 7, Dhanmondi, Dhaka - 1205. |
| Trustee | : Shandhani Life Insurance Company Ltd. |
| Registered Address | : Shandhani Life Tower, Plot -34, Bangla Motor, Dhaka - 1000. |
| Custodian | : BRAC Bank Limited. |
| Registered Address | : Anik Tower, 220/B, Tejgaon-Gulshan Link Road, Tejgaon, Dhaka - 1208. |
| Asset manager | : EDGE AMC Limited |
| Registered Address | : Rupayan Prime, Unit B-10, House 2, Road 7, Dhanmondi, Dhaka - 1205. |

1.02 Principal Activities

EDGE Bangladesh Mutual Fund is an open end Mutual Fund which is a professionally managed portfolio of equity stocks and fixed income instruments. Investors buy units of the Fund and the Asset Manager pools that money to make investments on their behalf. An unit represents a portion of the Fund's holdings.

1.03 Objectives

The primary objective of the Fund is to achieve capital appreciation as well as earn dividend and interest income through investment in the capital market of Bangladesh. It mostly shall focus on generating cash earning and at the same time preservation of capital. The Fund shall strive to accumulate reserves over its life in order to reinvest and be able to distribute a lump sum at redemption.

2 Summary of Significant Accounting Policies

2.01 Preparation of the Financial Statements

These financial statements are prepared on the accrual basis of accounting, under the historical cost convention, as modified for investments, which are 'market-to-market' and in conformity with the International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), International Accounting Standards (IAS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and also in compliance with requirements of Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001 and other laws & regulations applicable in Bangladesh.



2.02 Statement of Cash Flows

IAS-1, "Presentation of financial statements requires that a cash flow statement be prepared as it provides information about cash flows of the enterprise which is useful in providing users of financial statements with basis to assess the ability of the enterprise to generate cash and cash equivalents and needs of the enterprise to utilize those cash flows. Statement of cash flows has been prepared under the direct method for the period, classified by operating, investing and financing activities as prescribed in paragraph 10 and 18(a) of IAS 7: "Statements of Cash Flows". In accordance with Mutual Fund Rules, 2001, proceeds from investments have been shown under investing activities. However, the amount of resultant gain on sale of investment has been shown in operating activities.

2.03 Statement of Changes in Equity

The statement of Changes in Equity reflects information about the increase or decrease in net assets or wealth.

2.04 Functional and Presentation Currency

These financial statements are presented in Taka, which is Fund's functional currency.

2.05 Reporting Period

These Financial Statements covers year from January 01, 2022 to December 31, 2022.

2.06 Investment Policy

- a) The Fund shall only invest in marketable securities and investment approved by the SEC, the Bangladesh Bank and/or the Controller of Insurance of Bangladesh or any other competent authority in this regard.
- b) The Fund shall invest only in transferable securities whether in money market or equity market or privately placed debentures or securitized debts.
- c) Capital appreciation will be the primary consideration and dividend and interest income will be the secondary consideration for the trading security investments.
- d) Dividend and interest income will be the primary consideration and capital appreciation will be the secondary consideration for the security investments intended for longer term.
- e) The Fund shall categorize the investments either as "Fair Value Through Profit or Loss (FVTPL)" or as Fair Value through Other Comprehensive Income(FVOCI) as they deem prudent, as per provisions of IFRS - 9.
- f) Stock Dividend (Bonus shares) are added with existing shares with no value resulted decrease in per unit cost price of the existing shares.

2.07 Valuation of investment

The listed securities are valued at the closing quoted market price only on the Dhaka Stock Exchange on the date of valuation i.e. on December 31, 2022.

2.08 Dividend policy

- a) After the close of annual accounts, the Trustee, as appears, shall declare dividend for the Fund.
- b) It shall distribute at least 70% of the Annual Income derived from realized gains of the Fund, as dividend, at the end of first accounting year.
- c) No dividend may be declared or paid other than from earnings of the Fund available for distribution.
- d) Surplus arising simply from the valuation of investments may not be available for dividend.



2.09 Management fee

The Fund shall pay a management fee to the Asset Management Company @2.50 percent per annum of the weekly average NAV up to Tk. 5.00 crore and @2.00 percent per annum for additional amount of the weekly average NAV up to Tk. 25.00 crore over Tk.5.00 crore and @1.50 percent per annum for additional amount of the weekly average NAV up to Tk 50.00 crore over Tk. 25.00 crore and @1.00 percent per annum for additional amount of the weekly average NAV over Tk. 50.00 crore, accrued and payable quarterly.

2.10 Trustee fee

The Trustee shall be paid an annual Trusteeship fee at the following rate on semi-annual in advance basis:

| <u>NAV (Taka)</u> | <u>Fees</u> |
|------------------------------------|-------------|
| NAV of the first 200 crore of fund | 0.10% |
| NAV of the next 100 crore of fund | 0.09% |
| NAV of the remaining fund | 0.08% |

2.11 Custodian fee

The fee for Custodian services will be 0.07% per annum of balance securities held by the fund, calculated on the average market value per month. Besides this, the fund will bear all other expenses viz (a) transaction fee of Tk. 200.00 per transaction (b) local duties and fees like stamp duty on transaction, stamp duty on transfer deed (c) levies, brokerage, registrar's fees, local counsel/representation, external auditors at the client's request, depository fees etc. However, a fee cap of 0.08% per annum on balance securities held by the fund, calculated on the average market value per month would be applicable if the total expenses (including custodian fees, transaction fees & other expenses, mentioned above) per annum go higher than the mentioned fee cap amount. The fee for Custodian services will be realized semi-annually.

2.12 CDBL Fee

Annual fee for the Fund payable in advance, based on face value of total fund size is payable as follow:

| | |
|------------------------------------|--------------|
| Up to Tk. 5 crore | Tk. Nil |
| Above Tk 5 crore up to Tk 20 crore | Tk. 20,000/- |
| Above Tk 20 crore | Tk. 40,000/- |

2.13 Fund registration and annual fee

The Fund has paid Tk. 200,000/- (Taka two lac) only to the Securities and Exchange Commission (SEC) as Registration Fee. In addition to that the Fund will have to pay @0.10% of the year end NAV at Market Price of the Fund on advance basis only per annum.

2.14 Revenue Recognition

- a) Dividend income is recognized when the right to receive the payment is established i.e. on the ex-dividend date;
- b) Capital gains are recognized on realization. Gain or loss from Securities are recognized at point of Sale for Securities which are sold. For unsold Securities, at the year end based on the difference between market value and cost unrealized gain or losses is accounted for.;
- c) Bonus shares have been recognized at zero cost; and
- d) Interest on Fixed Deposit and Short-Term Deposit is recognized as income on accrual basis.

2.15 Taxation

The income of the Fund is exempted from income tax under the SRO No. 333-Ain / IT / 2011 dated November 10, 2011; under section 44(4) clause (b) of Income Tax Ordinance, 1984: hence no provision for tax has been made during the year in the books of the statement of Profit or Loss and other Comprehensive Income.



2.16 Preliminary and Issue Expenses

As per Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001 Preliminary & Issue Expenses are being written off over a period of 7 (seven) years.

2.17 Net Asset Value (NAV) Per Unit

The mutual fund calculates Net Asset Value per share using the cost and market value, which has been shown on the face of statement of financial position and the computation of NAV per unit is stated in Note 13 and 14.

2.18 Earning Per Unit

The mutual fund calculates Earning Per Unit (EPU) in accordance with IAS 33: "Earning per Share", this has been shown on the face of the Income Statement.

2.19 General

Figures appearing in these financial statements have been rounded off to nearest Taka.

2.20 Proposed Dividend

| Particular | Figure in Taka |
|---------------------------------|-----------------|
| Net Income for the year | (17,566,229.63) |
| Less, Unrealized Gain: | (28,528,124.92) |
| Distributable Earnings | 10,961,895.28 |
| No of units Outstanding | 23,223,776.00 |
| Distributable Earnings per Unit | 0.47 |

2.21 Events after the reporting period

The Board of Trustees of the Fund has declared and approved dividend at the rate of 3.5% per unit (74% of Distributable EPU) for the period from 01 January 2022 to 31 December 2022 at its meeting held on ~~1.7 FEB 2022~~.



EDGE Bangladesh Mutual Fund
Investments in marketable securities
As at 31 December 2022

| Investments in listed securities | | | | | | | Amount in Taka | |
|---|------------------------|------------------------|--------------------|--------------|--------------------|---------------|-------------------------|--|
| Company name | Number of share / unit | Weighted average price | Acquisition cost | Market price | Market value | % of NAV | Unrealized gain/ (loss) | |
| RAC Bank Limited | 845,475.00 | 42.33 | 35,790,352.11 | 38.50 | 32,550,788 | 13.26% | (3,239,565) | |
| The IBN SINA Pharmaceutical Industry Ltd. | 30,000.00 | 293.37 | 8,801,106.13 | 286.60 | 8,598,000 | 3.26% | (203,106) | |
| Square Pharmaceuticals Limited | 108,000.00 | 209.80 | 22,658,430.29 | 209.80 | 22,658,400 | 8.39% | (30) | |
| Arico Bangladesh Limited | 11,967.00 | 2,259.18 | 27,035,558.04 | 2,421.50 | 28,978,091 | 10.01% | 1,942,532 | |
| Genata Limited | 4,828.00 | 1,226.62 | 5,922,121.77 | 1,217.90 | 5,880,021 | 2.19% | (42,101) | |
| Heximco Pharmaceuticals Limited | 22,500.00 | 198.52 | 4,466,781.39 | 146.20 | 3,289,500 | 1.65% | (1,177,281) | |
| Bangladesh Submarine Cable Company Limited | 31,850.00 | 214.10 | 6,819,075.11 | 218.90 | 6,971,965 | 2.53% | 152,890 | |
| British American Tobacco Bangladesh Company Limited | 31,700.00 | 495.55 | 15,708,930.88 | 518.70 | 16,442,790 | 5.82% | 733,859 | |
| Olympic Industries Ltd. | 109,000.00 | 135.49 | 14,768,076.84 | 124.00 | 13,516,000 | 5.47% | (1,252,077) | |
| Falton Hi-Tech Industries PLC | 3,605.00 | 1,159.29 | 4,179,251.02 | 1,047.70 | 3,776,959 | 1.55% | (402,293) | |
| Primeenphone Ltd | 41,663.00 | 338.07 | 14,084,903.05 | 286.60 | 11,940,616 | 5.22% | (2,144,287) | |
| Islami Commercial Insurance Company Limited | 7,623.00 | 10.00 | 76,230.00 | 28.10 | 214,206 | 0.03% | 137,976 | |
| Sub total | | | 160,310,817 | | 154,817,335 | 59.37% | (5,493,482) | |
| Investments in Open-End Mutual Fund | | | | | | | | |
| Kush First Unit Fund | 300,000.00 | 11.71 | 3,513,409.09 | 12.18 | 3,654,000 | 1.30% | 140,591 | |
| Sub total | | | 3,513,409 | | 3,654,000 | 1.30% | 140,591 | |
| Investments in Bonds | | | | | | | | |
| /A | | | | | - | 0.00% | - | |
| Sub total | | | | | - | 0.00% | - | |
| Investments in T-Bills | | | | | | | | |
| DD202006152 (91 Days) | - | - | 9,823,130.00 | - | 9,827,620 | 3.64% | 4,490 | |
| Sub total | | | 9,823,130 | | 9,827,620 | 3.64% | 4,490 | |
| Total | | | 173,647,356 | | 168,298,956 | 64.31% | (5,348,400.91) | |

Note: The Fund has invested 64.31% of the total net assets of the fund in the capital market instruments, the rest is held in cash instruments.



| | 31-Dec-22 | 31-Dec-21 |
|--|-------------------|--------------------|
| | Taka | Taka |
| 4 Other receivables | | |
| Accounts Receivable | - | 637,500 |
| Interest receivables from FDRs | - | - |
| Interest receivables from Bank A/C | - | - |
| Fund Receivable from Unit Purchase | - | - |
| Interest receivables from T-Bills | 4,490 | - |
| Dividend receivables | 1,934,820 | 1,423,750 |
| | 1,939,310 | 2,061,250 |
| 5 Preliminary and issue expenses | | |
| Opening balance | 919,364 | 1,175,522 |
| Add: Addition made during the period | - | - |
| | 919,364 | 1,175,522 |
| Less: Amortization during the period | (256,159) | (256,159) |
| | 663,205 | 919,364 |
| 6 Advances | | |
| Annual CDBL fees | 19,676 | 19,214 |
| IPO Application | - | - |
| Annual BSEC Fee | 150,876 | 167,419 |
| Trustee Fee Prepaid | (0) | - |
| | 170,551 | 186,633 |
| 7 Fixed deposit receipts (FDRs) | | |
| IDLC Finance Limited | - | - |
| IPDC Finance Limited | - | - |
| | - | - |
| 8 Cash and cash equivalents | | |
| Cash at banks | | |
| <i>Current accounts with</i> | | |
| BRAC Bank Limited - 5001 | 13,112,938 | 5,040,483 |
| BRAC Bank Limited - 5006 | 895,728 | 108,836 |
| The City Bank Limited - 5001 | 37,606,577 | 45,741,210 |
| Midland Bank A/c-069 | 43,501,996 | 118,310,118 |
| Midland Bank A/c-050 | 161,903 | 95,435 |
| | 95,279,142 | 169,296,082 |
| <i>Cash at brokerage accounts</i> | | |
| Cash available on Stock Brokerage Accounts | 1 | - |
| | 1 | - |
| | 95,279,143 | 169,296,082 |

**9 Unit capital**

Opening balance (28,873,332 units of Taka 10 each)
 Units subscribed during the period (4,662,834.00 units of Taka 10 each)
 Units surrendered during the period (10,312,390.00 units of Taka 10 each)

| 31-Dec-22 | 31-Dec-21 |
|--------------------|--------------------|
| Taka | Taka |
| 288,733,320 | 309,740,220 |
| 46,628,340 | 75,180,630 |
| (103,123,900) | (96,187,530) |
| 232,237,760 | 288,733,320 |

10 Unit premium reserve

Opening balance
 Add: Unit premium reserve during the period
 Less: Premium reimbursed for re-purchase of units

| | |
|--------------------|------------------|
| 4,088,586 | 13,698,544 |
| 10,068,310 | 23,171,596 |
| (18,063,448) | (32,781,554) |
| (3,906,552) | 4,088,586 |

11 Accounts payable

Payable to unit repurchase
 Accounts Payable

| | |
|---------------|------------------|
| 76,882 | 1,547,130 |
| - | 55,690 |
| 76,882 | 1,602,820 |

12 Liability for expenses

Management fee
 Custodian fee
 Audit fee
 Tax Payable

| | |
|------------------|------------------|
| 1,408,286 | 1,946,900 |
| 152,108 | 219,349 |
| 50,000 | 50,000 |
| - | - |
| 1,610,395 | 2,216,250 |

13 Net Asset Value (NAV) per unit at cost

Net Asset Value (NAV) at market price
 Add/less: Unrealized (Loss)/gain
 Total Net Asset Value (NAV) at cost
 Number of unit
NAV per unit at cost

| | |
|--------------------|--------------------|
| 264,663,888 | 414,573,146 |
| 5,348,401 | (23,179,724) |
| 270,012,288 | 391,393,422 |
| 23,223,776 | 28,873,332 |
| 11.63 | 13.56 |

14 Net Asset Value per unit at market price

Net Asset Value (NAV)
 Number of unit
NAV per unit at market price

| | |
|--------------|--------------|
| 264,663,888 | 414,573,146 |
| 23,223,776 | 28,873,332 |
| 11.40 | 14.36 |

**15 Interest income**

| |
|-----------------------------|
| Interest Income from Bank |
| Interest Income from Bond |
| Interest Income from T-Bill |
| Interest Income from FDR |

| 31-Dec-22 | 31-Dec-21 |
|------------------|------------------|
| Taka | Taka |
| 4,432,604 | 3,848,228 |
| 212,500 | - |
| 4,490 | - |
| - | 77,188 |
| 4,649,594 | 3,925,416 |

16 Net gain on sale of marketable securities**Gain on sale of marketable securities**

| |
|---|
| Achia Sea Foods Limited |
| APSCL Bond |
| ACME Pesticides Limited |
| Baraka Patenga Power Limited |
| BD Thai Food & Beverage Limited |
| BD Paints Limited |
| Berger Paints Bangladesh Ltd. |
| BRAC Bank Limited |
| British American Tobacco Bangladesh Company Limited |
| Bangladesh Submarine Cable Company Limited |
| Confidence Cement Ltd. |
| Crystal Insurance Company Limited |
| Chartered Life Insurance Company Limited |
| DBH First Mutual Fund |
| Dominage Steel Building Systems Limited |
| eGeneration Limited |
| Grameenphone Ltd. |
| Green Delta Mutual Fund |
| IDLC Finance Ltd. |
| ICB AMCL CMSF GOLDEN JUBILEE MUTUAL FUND |
| Index Agro Industries Limited |
| Karnaphuli Insurance Company Ltd. |
| Lafarge Holcim Bangladesh Limited |
| Marico Bangladesh Limited |
| Meghna Insurance Company Limited |
| Mir Akhter Hossain Limited |
| Mostafa Metal Industries Ltd |
| NRBC Bank Limited |
| Nialco Alloys Limited |
| Olympic Industries Ltd. |
| Oryza Agro Industries Limited |
| Renata Limited |
| Robi Axiata Limited |
| Star Adhesives Limited |
| Sena Kalyan Insurance Company Limited |
| Singer Bangladesh Ltd. |
| Southeast Bank 1st Mutual Fund |
| Sonali Life Insurance Company Limited |
| South Bangla Agriculture & Commerce Bank Limited |
| Square Pharmaceuticals Limited |
| Summit Power Ltd. |
| Taufika Foods and Lovello Ice-cream PLC |
| Union Insurance Company Limited |
| Walton Hi-Tech Industries Ltd. |
| Ekush First Unit Fund |
| Zenith Annual Income Fund |

| | |
|-------------------|-------------------|
| 1,071,318 | - |
| 283,997 | - |
| - | 709,902 |
| 318,942 | 6,669,020 |
| 192,482 | - |
| 789,526 | - |
| - | 1,026,177 |
| 412,817 | 2,350,188 |
| 6,570,112 | 28,647,194 |
| 72,725 | - |
| 1,275,947 | 60,022 |
| - | 684,334 |
| 388,833 | - |
| - | 3,467,438 |
| - | 460,914 |
| - | 354,688 |
| - | 6,485,767 |
| - | 475,501 |
| - | 866,954 |
| 27,429 | - |
| - | 2,972,478 |
| - | 3,974 |
| - | 3,531,466 |
| 492,137 | - |
| 362,675 | - |
| - | 7,796,300 |
| - | 21,567 |
| - | 286,232 |
| - | 494,624 |
| - | 275,749 |
| - | 4 |
| - | 1,683,630 |
| - | 13,335,666 |
| 601,528 | - |
| - | 997,779 |
| - | 4,897,737 |
| - | 891,460 |
| - | 1,156,096 |
| - | 1,344,493 |
| 691,159 | 1,097,814 |
| - | 2,811,805 |
| - | 557,597 |
| 517,990 | - |
| - | 785,277 |
| 167,455 | 677,928 |
| - | 1,150,000 |
| 14,237,072 | 99,027,774 |

**Loss on sale of marketable securities**

| |
|---|
| Beximco Pharmaceuticals Limited |
| Berger Paints Bangladesh Ltd. |
| BRAC Bank Limited |
| Confidence Cement Ltd. |
| Grameenphone Ltd |
| Global Islami Bank Limited |
| The IBN SINA Pharmaceutical Industry Ltd. |
| IDLC Finance Ltd. |
| Olympic Industries Ltd. |
| Renata Ltd |
| Square Pharmaceuticals Limited |
| Square Textile Ltd. |
| Walton Hi-Tech Industries Ltd. |

| 31-Dec-22 | 31-Dec-21 |
|--------------------|--------------------|
| Taka | Taka |
| (1,531,364) | - |
| (999,687) | - |
| (69,268) | (366,070) |
| - | (3,805,038) |
| (1,930,343) | - |
| (669,439) | - |
| (177,423) | - |
| - | (2,755,902) |
| (110,922) | (643,162) |
| (62,031) | - |
| (10) | (74,264) |
| (382,252) | - |
| (1,131,761) | - |
| (7,064,499) | (7,644,435) |
| 7,172,573 | 91,383,340 |

Net gain on sale of marketable securities**17 Dividend income**

| |
|---|
| Brac Bank Limited |
| Baraka Patenga Power Limited |
| Beximco Pharmaceuticals Limited |
| Berger Paints Bangladesh Ltd. |
| British American Tobacco Bangladesh Company Limited |
| Bangladesh Submarine Cable Company Limited |
| Confidence Cement Ltd. |
| Grameenphone Ltd. |
| IDLC Finance Ltd. |
| The IBN SINA Pharmaceutical Industry Ltd. |
| Olympic Industries Ltd. |
| Renata Limited |
| Square Pharmaceuticals Limited |
| Singer Bangladesh Limited |
| Walton Hi-Tech Industries Ltd. |
| Marico Bangladesh Limited |
| Ekush First Unit Fund |
| APSCL Bond |
| Zenith Annual Income Fund |

| | |
|------------------|-------------------|
| 662,250 | 641,000 |
| - | 218,750 |
| 78,750 | - |
| 406,800 | 465,000 |
| 497,000 | 1,301,750 |
| 146,510 | - |
| - | 275,000 |
| 1,300,000 | 1,943,500 |
| - | 681,600 |
| 192,000 | - |
| 490,500 | 179,920 |
| 73,962 | - |
| 1,080,000 | 930,000 |
| - | 594,000 |
| 95,400 | 244,350 |
| 1,429,500 | 840,000 |
| 1,820,000 | 880,000 |
| - | 637,500 |
| - | 850,000 |
| 8,272,672 | 10,682,370 |

18 Unrealized (loss)/gain on securities

| |
|------------------------------------|
| Opening Balance, January 01, 2022 |
| Closing Balance, December 31, 2022 |
| Changes during the period |

| | |
|---------------------|---------------------|
| 23,179,724 | 36,498,498 |
| (5,348,401) | 23,179,724 |
| (28,528,125) | (13,318,774) |

19 Earnings Per Unit for the year/period

| |
|---------------------------------------|
| Profit for the year/period (A) |
| Unrealized Gain/Loss |
| Distributable Profit for the Year (A) |
| Number of units (B) |
| Earnings Per Unit (A/B) |

| | |
|---------------|--------------|
| (17,566,230) | 82,097,398 |
| (28,528,125) | (13,318,774) |
| 10,961,895 | 95,416,172 |
| 23,223,776 | 28,873,332 |
| (0.76) | 2.84 |

**20 Disclosure on allowable exposure limit**

With reference to The Mutual Fund Rule 2001, Schedule 5 of Rules 56, regarding violation of maximum allowable exposure limit of 10% in a single stock, we would like to note the following:

1. Bangladesh Securities and Exchange Commission (BSEC) imposed floor price mechanism for all listed companies, vide order no BSEC/CMRRCD/2001-07/39 dated 28 July 2022. Later BSEC removed the floor price for 169 companies (vide order no BSEC/CMRRC/2009-193/51 dated 21 December 2022), however both BRAC Bank Limited and Marico Bangladesh are not in that list. Both companies continue to trade at floor price with very low liquidity allowing no opportunity for investors to sell in the market. We have been placing sell order consistently but they are not executed. In the last quarter of 2022, daily average turnover volume was only 26,919 shares for BRAC Bank and 503 shares for Marico.

2. Furthermore, the asset under management (AUM) of EDGE Bangladesh Mutual Fund reduced from BDT 414.6 million at beginning of the year to BDT 264.6 million at year end. Unitholders redeemed 10.3 million units of the fund equivalent to an amount of BDT 121.2 million (see note 9 & 10). Given the reduction in AUM the weight of individual stocks increased significantly - with almost no liquidity in the market there was no opportunity to rebalance in line with unitholders' redemption request.



EDGE AMC LIMITED
Name of the Scheme/ Mutual Fund: EDGE Bangladesh Mutual FUND
Portfolio Statement
as at 31 December 2022

Annexure - A

1. Investment in Capital Market Securities (Listed):

| SL. | Investments in Stocks/Securities (Sectorwise) | No. of Shares/Units | Weighted average cost | Cost Value | Market price | Total Market Value | Appreciation (or Dimission) in the Market value/Fair value of Investments | % Change (in terms of cost) | % of total Investment | % of Total NAV at Cost |
|---|--|---------------------|-----------------------|--------------------|--------------|--------------------|---|-----------------------------|-----------------------|------------------------|
| A. Shares of Limited Companies (Script wise) | | | | | | | | | | |
| 01 | BRAC Bank Limited | 845,475 | 42.33 | 35,790,352 | 38.50 | 32,550,788 | (3,239,565) | -9.05% | 13.31% | 13.26% |
| 02 | The IBN SINA Pharmaceutical Industry Ltd. | 30,000 | 293.37 | 8,801,106 | 286.60 | 8,598,000 | (203,106) | -2.31% | 3.27% | 3.26% |
| 03 | Square Pharmaceuticals Limited | 108,000 | 209.80 | 22,658,430 | 209.80 | 22,658,400 | (30) | 0.00% | 8.43% | 8.39% |
| 04 | Mario Bangladesh Limited | 11,967 | 2259.18 | 27,035,558 | 2421.50 | 28,978,091 | 1,942,533 | 7.19% | 10.05% | 10.01% |
| 05 | Renata Limited | 4,828 | 1226.62 | 5,922,122 | 1217.90 | 5,880,021 | (42,101) | -0.71% | 2.20% | 2.19% |
| 06 | Revimco Pharmaceuticals Limited | 22,500 | 198.52 | 4,466,781 | 146.20 | 3,289,500 | (1,177,281) | -26.36% | 1.66% | 1.65% |
| 07 | Bangladesh Submarine Cable Company Limited | 31,850 | 214.10 | 6,819,075 | 218.90 | 6,971,965 | 152,890 | 2.24% | 2.54% | 2.53% |
| 08 | British American Tobacco Bangladesh Company Limited | 31,700 | 495.55 | 15,706,931 | 518.70 | 16,442,790 | 735,859 | 4.67% | 5.84% | 5.82% |
| 09 | Olympic Industries Ltd. | 109,000 | 135.49 | 14,768,077 | 124.00 | 13,516,000 | (1,252,077) | -8.48% | 5.49% | 5.47% |
| 10 | Walton Hi-Tech Industries PLC | 3,605 | 1159.29 | 4,179,251 | 1047.70 | 3,776,959 | (402,293) | -9.63% | 1.55% | 1.55% |
| 11 | Grameenphone Ltd | 41,663 | 338.07 | 14,084,903 | 286.60 | 11,940,616 | (2,144,287) | -15.22% | 5.24% | 5.22% |
| 12 | Islami Commercial Insurance Company Limited | 7,623 | 10.00 | 76,230 | 28.10 | 214,206 | 137,976 | 181.00% | 0.03% | 0.03% |
| | Sub-Total | | | 160,310,817 | | 154,817,335 | (5,493,482) | -3.43% | 59.61% | 59.37% |
| B. Listed Mutual Funds CIS (Script wise) | | | | | | | | | | |
| | N/A | | | | | | | | | |
| | Sub-Total | | | | | | | | | |
| C. Listed Corporate Bond/Debtenture | | | | | | | | | | |
| | N/A | | | | | | | | | |
| | Sub-Total | | | | | | | | | |
| D. Other Listed Securities Script wise. If any | | | | | | | | | | |
| | N/A | | | | | | | | | |
| | Sub-Total | | | | | | | | | |
| | Grand Total of Capital Market Securities (Listed) | | | 160,310,817 | | 154,817,335 | (5,493,482) | -3.43% | 59.61% | 59.37% |

2. Investment in Capital Market Securities (Non-Listed):

| SL. | Investments in Stocks/Securities (Sectorwise) | No. of Shares/Units | Weighted average cost | Cost Value | Market price | Total Market Value | Appreciation (or Dimission) in the Market value/Fair value of Investments | % Change (in terms of cost) | % of total Investment | % of Total NAV at Cost |
|---|--|---------------------|-----------------------|------------------|--------------|--------------------|---|-----------------------------|-----------------------|------------------------|
| A. Open-End Mutual Funds (Script wise) | | | | | | | | | | |
| | Ekush First Unit Fund | 300,000 | 11.71 | 3,513,409 | 12.18 | 3,654,000 | 140,591 | 4.00% | 1.31% | 1.30% |
| | Sub-Total | | | 3,513,409 | | 3,654,000 | 140,591 | 4.00% | 1.31% | 1.30% |
| B. Pre-IPO Placement Shares, If any | | | | | | | | | | |
| | N/A | | | | | | | | | |
| C. Listed Bond Debtenture Islamic securities (Script wise) | | | | | | | | | | |
| | N/A | | | | | | | | | |
| | Sub-Total | | | | | | | | | |
| | Grand Total of Capital Market Securities (Non-Listed) | | | 3,513,409 | | 3,654,000 | 140,591 | 4.00% | 1.31% | 1.30% |

*For open-end Mutual Funds, surrender value shall be considered as Market value.

**For other non-listed securities, fair value shall be estimated following International Financial Reporting Standards (IFRSs) and be reported once a year in the annual audited financial statements of the fund Scheme.

3. Cash and Cash Equivalents and Investments in Securities not related to Capital Markets:

| A. Money Market Instruments (Script Wise) | | | | Types (G. Sec/Others) | | No. of Instrument | | Cost Value | | Market Value/Fair Value | |
|---|---------------------------|-----------------------------------|------------------|-------------------------|--|-------------------|--|-----------------------|--|-------------------------|--|
| SI No | Instruments (Script Wise) | | | | | | | | | | |
| 01 | BD2022006152 | | | 91 Days T-Bill | | 01 | | 9,823,130.00 | | 9,827,620.00 | |
| Sub-Total | | | | | | | | 9,823,130.00 | | 9,827,620.00 | |
| B. Term Deposit/Investment: | | | | | | | | | | | |
| No. and Date | Bank/Non-Bank Name | | | Rate of Interest/Profit | | Maturity Date | | Investment value | | Maturity Value | |
| | N/A | | | | | | | | | | |
| Sub-Total | | | | | | | | | | | |
| C. Cash at Bank: | | | | | | | | | | | |
| SI No | Bank Name, | Nature of Accdate of Interest/Pro | A/C No. | Available Balance | | | | | | | |
| 01 | BRAC Bank Limited | SND Account | 1501204002925001 | 13,112,938 | | | | | | | |
| 02 | BRAC Bank Limited | SND Account | 1501204002925006 | 895,728 | | | | | | | |
| 03 | City Bank Limited | SND Account | 1122498585001 | 37,606,577 | | | | | | | |
| 04 | Midland Bank Limited | Corporate Express Account | 0008-10600000069 | 43,501,996 | | | | | | | |
| 05 | Midland Bank Limited | Corporate Express Account | 0008-10600000050 | 161,903 | | | | | | | |
| Sub-Total | | | | 95,279,142 | | | | | | | |
| D. Cash in Hand: | | | | | | | | | | | |
| | | | N/A | | | | | | | | |
| Total Cash and Cash Equivalents and Investment in Securities (not related in Capital): | | | | | | | | 95,279,142 | | | |
| Total Investment (1+2+3) | | | | | | | | 268,926,497.74 | | 263,578,096.83 | |
| Total Net Asset Value (NAV) at cost | | | | | | | | | | 270,012,288.42 | |

Sadekul Islam
S.M. Sadekul Islam
Manager - Finance & Operations

Ali Imam
Ali Imam
Chief Executing officer & Managing Director