

Bangladesh General Insurance Company Ltd.
Trustee of Sandhani AML SLIC Fixed Income Fund
42 Dilkusha Commercial Area
Dhaka 1000

Sandhani AML SLIC Fixed Income Fund

Auditor's report and financial statements
For the period from 10 April 2022 to 31 December 2022

S. F. AHMED & CO.

Chartered Accountants | Since 1958

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**Independent Auditor's Report
To the Trustee of Sandhani AML SLIC Fixed Income Fund**

For the period from 10 April 2022 to 31 December 2022

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sandhani AML SLIC Fixed Income Fund (the Fund), which comprise the statement of financial position (balance sheet) as at 31 December 2022, and the statement of profit or loss and other comprehensive income (revenue account), statement of changes in equity and statement of cash flows for the period from 10 April 2022 to 31 December 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the fund as at 31 December 2022, and of its financial performance and its cash flows for the period 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 Standards 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 the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs, Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001 and other applicable laws and regulations, 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 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 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 auditors' 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

In accordance with the Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001, we also report the followings:

- 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;
- c) the statement of financial position (balance sheet) and statement of profit or loss and statement of other comprehensive income (revenue account) dealt with by the report are in agreement with the books of account;
- d) the investment made by the Fund is as per Rule 56 of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001;

Auditor's Signature : 
Name of Engagement Partner : Md. Moktar Hossain, FCA, Senior Partner
Enrollment No. : 728
Firm's Name : S. F. AHMED & CO., Chartered Accountants
Firm's Reg. No. : 10898 E.P. under Partnership Act 1932



Document Verification Code (DVC) : 2302130728AS625314

Dhaka, Bangladesh
Dated, 13 February 2023

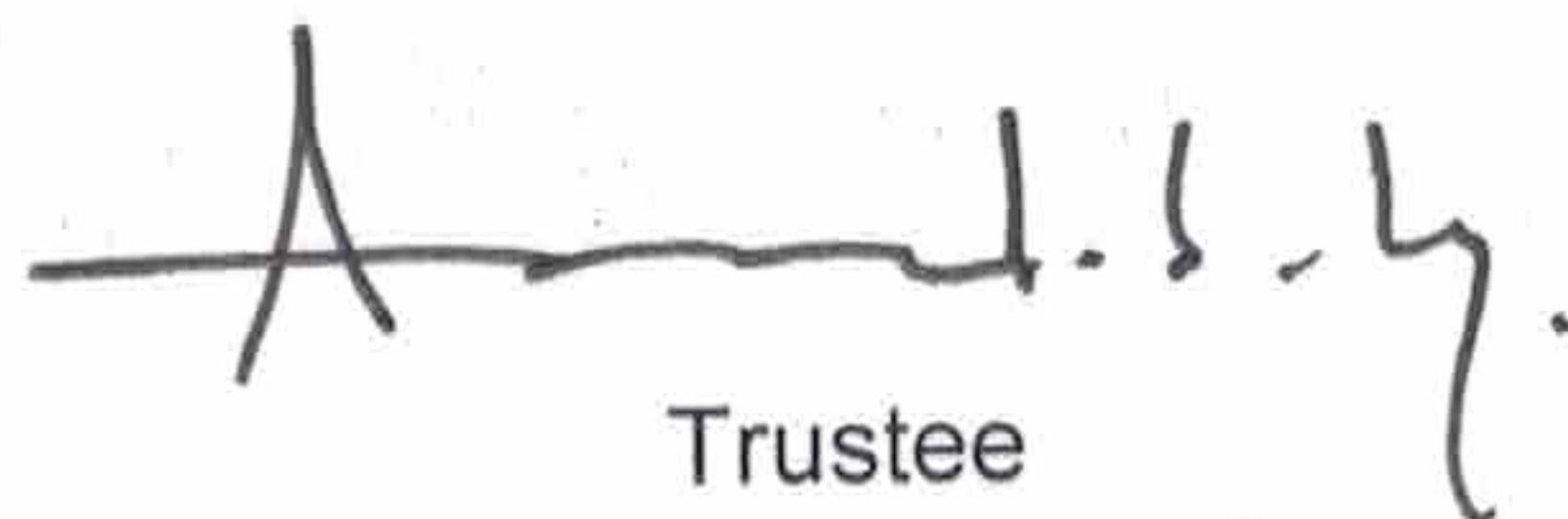
Sandhani AML SLIC Fixed Income Fund

Statement of Financial Position (Balance Sheet)
For the period from 10 April 2022 to 31 December 2022

	Notes	2022 BDT
Assets		
Investment in listed securities	5	370,770,737
Preliminary and issue expenses	6	4,550,924
Other current assets	7	12,674,075
Cash and cash equivalents	8	440,977,312
Total assets		828,973,048
Equity and liabilities		
Equity		
Capital fund	9	811,979,970
Unit premium	10	30,020
Retained earnings	11	13,880,940
Total equity		825,890,930
Current liabilities		
Current liabilities	12	3,082,118
Total current liabilities		3,082,118
Total equity and liabilities		828,973,048
Net Asset Value (NAV) per unit		
At cost	13	10.18
At market price	14	10.17

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

For and on behalf of Trustee and Asset Manager of
Sandhani AML SLIC Fixed Income Fund



Trustee

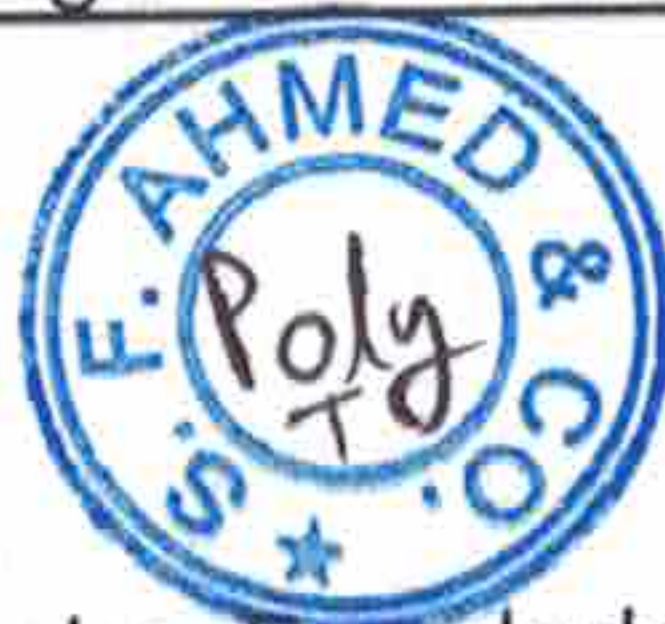
Bangladesh General Insurance Company Ltd.



Asset Manager

Sandhani Asset Management Company Ltd.

See annexed report to the date



Dhaka, Bangladesh
Dated, 13 February 2023



S. F. AHMED & CO.
Chartered Accountants
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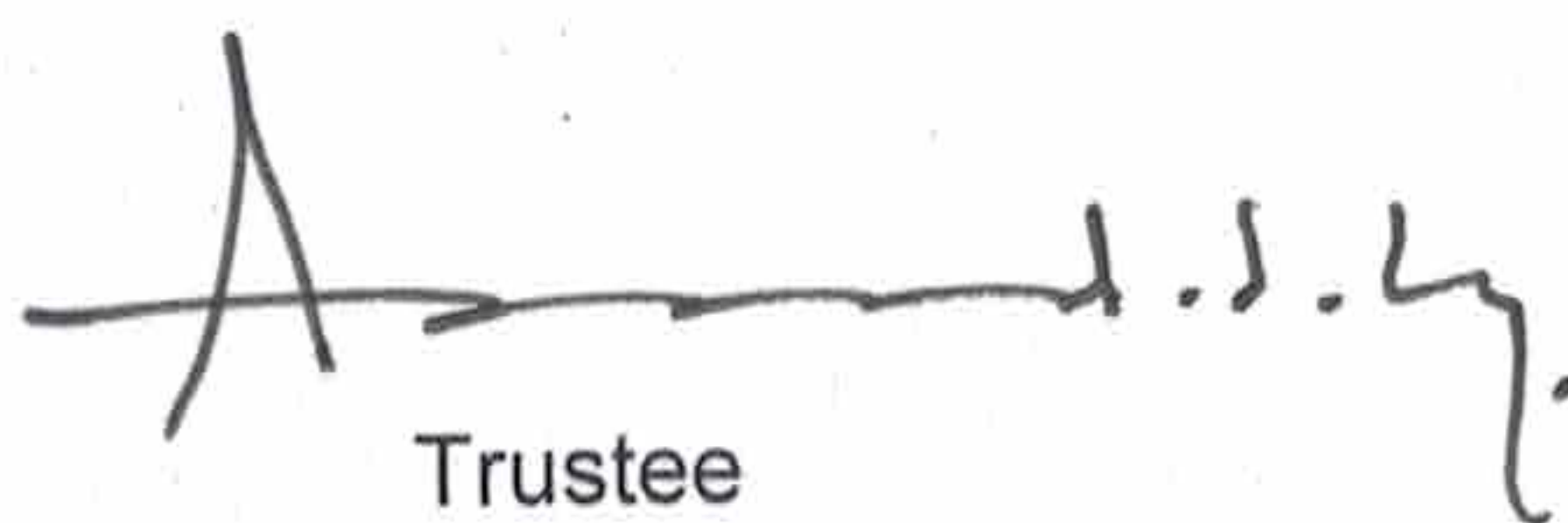
Sandhani AML SLIC Fixed Income Fund


**Statement of Profit or Loss and Other Comprehensive Income
(Revenue Account)
For the period from 10 April 2022 to 31 December 2022**


	Notes	2022 BDT
Income		
Capital gain on sale of shares	15	129,319
Dividend income		872,589
Interest on debentures / bonds		5,079,043
Interest income	16	9,528,890
Profit from investment in Beximco Green Sukuk Al Istisna'a		3,306,000
Total income		18,915,840
Expenses		
Management fee		2,572,040
Preliminary and issue expenses	6	319,268
Custodian fee		112,964
Trustee fees		257,204
Annual BSEC fee		500,000
CDBL charges		7,009
Audit fee		34,500
Publication and other expenses	17	111,545
Finance expense		202,688
Total expenses		4,117,218
Profit before provision		14,798,622
Provision against diminution in value of investment		(917,682)
Profit for the period		13,880,940
Other comprehensive income		-
Total comprehensive income for period		13,880,940
Earnings per unit for the period	18	0.17

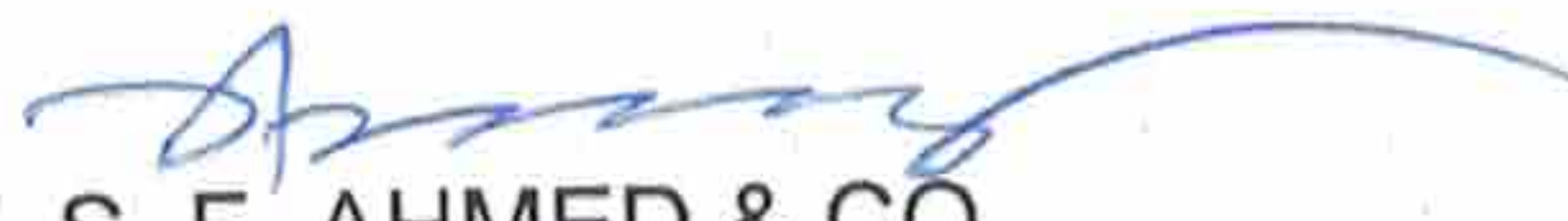
These financial statements should be read in conjunction with the annexed notes

For and on behalf of Trustee and Asset Manager of
Sandhani AML SLIC Fixed Income Fund


Trustee
Bangladesh General Insurance Company Ltd.


Asset Manager
Sandhani Asset Management Company Ltd.
See annexed report to the date


Dhaka, Bangladesh
Dated, 13 February 2023

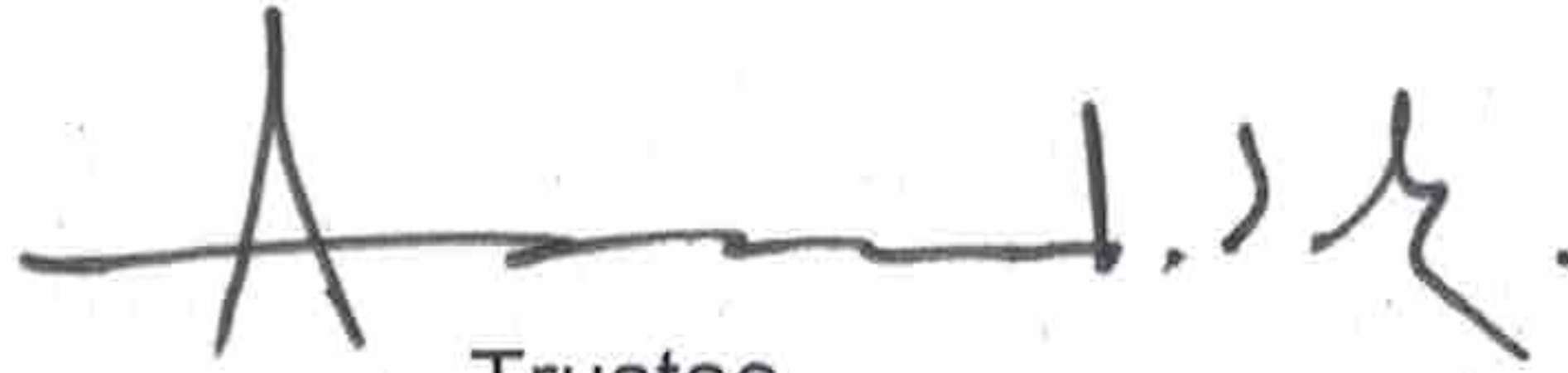

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Sandhani AML SLIC Fixed Income Fund

Statement of Changes in Equity
For the period from 10 April 2022 to 31 December 2022

Particulars	Unit capital	Unit premium	Retained earnings	Total
	BDT	BDT	BDT	BDT
Balance as at 10 April 2022	-	-	-	-
Sponsor's contribution	100,000,000	-	-	100,000,000
Unit capital	711,979,970	-	-	711,979,970
Unit premium	-	30,020	-	30,020
Profit for the period	-	-	13,880,940	13,880,940
Balance as at 31 December 2022	811,979,970	30,020	13,880,940	825,890,930

For and on behalf of Trustee and Asset Manager of
Sandhani AML SLIC Fixed Income Fund



Trustee

Bangladesh General Insurance Company Ltd.



Asset Manager

Sandhani Asset Management Company Ltd.

Dhaka, Bangladesh
Dated, 13 February 2023

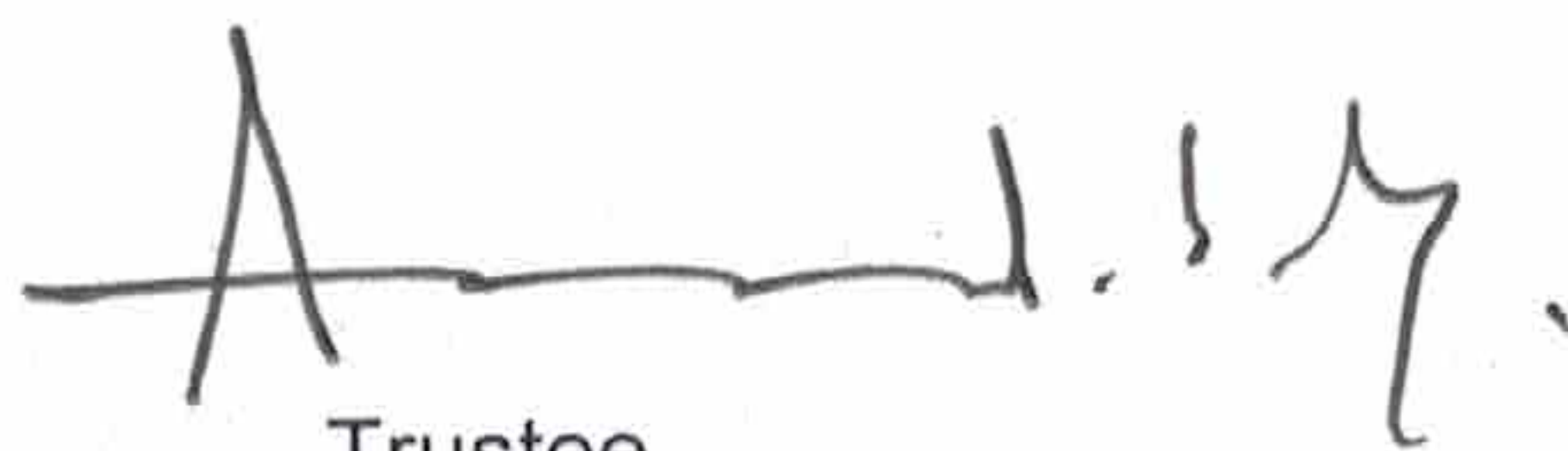


Sandhani AML SLIC Fixed Income Fund

Statement of Cash Flows
For the period from 10 April 2022 to 31 December 2022

	2022 BDT
A. Cash flows from operating activities	
Dividend from investment in securities	80,000
Interest on bank deposits and bonds	6,032,446
Cash paid for operating expenses	(715,833)
Capital gain	129,319
Net cash from/(used in) operating activities	<u>5,525,932</u>
B. Cash flows from investing activities	
Investment in listed securities	(371,688,418)
Preliminary and issue expenses	(4,870,192)
Net cash from/(used in) investing activities	<u>(376,558,610)</u>
C. Cash flows from financing activities	
Units sold	811,979,970
Premium received on sale of units	30,020
Net cash from/(used in) financing activities	<u>812,009,990</u>
D. Net changes in cash and cash equivalents (D=A+B+C)	440,977,312
E. Opening cash and cash equivalents	<u>-</u>
F. Closing cash and cash equivalents (F=D+E)	<u><u>440,977,312</u></u>
 Net operating cash flows per unit for the period	 <u><u>0.07</u></u>

For and on behalf of Trustee and Asset Manager of
Sandhani AML SLIC Fixed Income Fund



Trustee

Bangladesh General Insurance Company Ltd.



Asset Manager

Sandhani Asset Management Company Ltd.

Dhaka, Bangladesh

Dated, 13 February 2023



Sandhani AML SLIC Fixed Income Fund

Notes to the Financial Statements

For the period from 10 April 2022 to 31 December 2022

1. Fund profile

Sandhani AML SLIC Fixed Income Fund (here-in-after referred to as "the Fund"), a Trust property, was registered on 22 March 2022 under The Trust Act, 1882 and Registration Act, 1908 through a Trust Deed entered into between Sandhani Life Insurance Company Limited as "Sponsor" and Bangladesh General Insurance Company Limited as "Trustee" and BRAC Bank Limited as "Custodian". The Fund was registered by the Bangladesh Securities and Exchange Commission (BSEC) on 10 April 2022 registration no. BSEC/Mutual Fund/2022/130 under the Securities and Exchange Commission (Mutual Fund), Rules, 2001. The prospectus was approved by the BSEC on 12 June 2022 in accordance with the Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001.

Sandhani Asset Management Limited is the manager of the fund. As per Trust Deed the initial target size of the fund will be BDT 500 Million divided into 50 Million Units of BDT 10 each. Size of the fund will be increased from time to time by the asset manager subject to approval of the trustee and with due intimation to the BSEC.

2. Principal activities and nature of the fund

Sandhani AML SLIC Fixed Income Fund is an open end mutual fund which is a professionally managed portfolio of government securities, 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.

The target group of investors Individuals – both resident and non-resident, institutions – both local and foreign, mutual funds and collective investmentschemes are eligible to subscribe the units of the fund. Units of the fund may be subscribed/ (Redeemed) through Sandhani Asset Management Limited and authorized selling agents appointed by the asset manager from time to time and any other procedure as prescribed by the asset manager.

3. Basis of accounting

3.1 Statement of compliance

The financial statements have been prepared on the accrual basis accounting, under historical cost convention as modified for investments, which are 'market-to-market' and in compliance with the International Financial Reporting Standards (IFRSs) which also cover International Accounting Standards(IASs), so far adopted and applicable to the Fund. The disclosures of information are made in accordance with the requirements of Trust Deed, Securities and Exchange Rules 1987, Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001, and other applicable laws and regulations. In case there are differences between IFRSs and local statutory requirements such as Mutual Fund Rules, the local regulations remain prevailed.

3.2 Basis of measurement

The financial statements have been prepared on a going concern basis under the historical cost convention.

3.3 Functional and presentation currency

The financial statements are presented in Bangladeshi Taka (BDT), which is also the functional currency of the fund.

3.4 Reporting period

The financial statements are prepared for a period from 10 April 2022 to 31 December 2022.



Sandhani AML SLIC Fixed Income Fund

Notes to the Financial Statements

For the period from 10 April 2022 to 31 December 2022

3.5 Components of the financial statements

Following are the components of the financial statements:

- (i) Statement of financial position (balance sheet);
- (ii) Statement of profit or loss and other comprehensive income (revenue account);
- (iii) Statement of changes in equity;
- (iv) Statement of cash flows;
- (v) Explanatory notes to the above financial statements which also describe accounting policies adopted and followed by the Fund.

4. Significant accounting policies

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

Set out below is an index of the significant accounting policies, the details of which are available on the current and following pages:

- A. Policy of investment in securities
- B. Valuation policy
- C. Net asset value calculation
- D. Revenue recognition
- E. Preliminary and issue expenses
- F. Management fee
- G. Trustee fee
- H. Custodian fee
- I. Annual BSEC fee
- J. Taxation
- K. Dividend policy
- L. Cash and cash equivalents
- M. Provisions
- N. Statement of cash flows
- O. Earnings per unit
- P. Unit premium reserves
- Q. Commission payable to selling agent(s)
- R. Departure from IFRS and IAS

A. Policy of investment in securities

- (i) The fund shall invest subject to the provision of the (Mutual Fund) Rules 2001 and only in securities listed with a stock exchange, money market instruments including government securities, privately placed bonds, debentures and pre-IPO capital of entities with explicit plan to be listed with a stock exchange within two years from the date of the investments, securitized debt instruments, which are either asset backed or mortgage backed securities, open-end mutual funds approved by the commission and any other instruments approved by the BSEC from time to time.
- (ii) Not more than 70% of total assets of the fund shall be invested in capital market instruments. Of this, at least 50% shall be invested in listed securities that are actively trading in stock exchanges. Investments in government securities shall not be considered as an exposure to capital market instruments.
- (iii) Not less than 30% (thirty percent) of the total asset of the fund shall be invested in fixed income securities including government securities.
- (iv) Non-listed securities that enjoy "investment grade" credit rating by a recognized credit rating agency are eligible for investments by a mutual fund. The fund can invest in unlisted corporate securities only after a prior approval of the commission.
- (v) All money collected under the Fund, except cash and deposits held for liquidity purpose, shall be invested only in encashable and/or transferable instruments or securities whether in money market or capital market or privately placed pre-IPO equity, preference shares, corporate bonds, debentures, securitized debts or any other investable instrument.

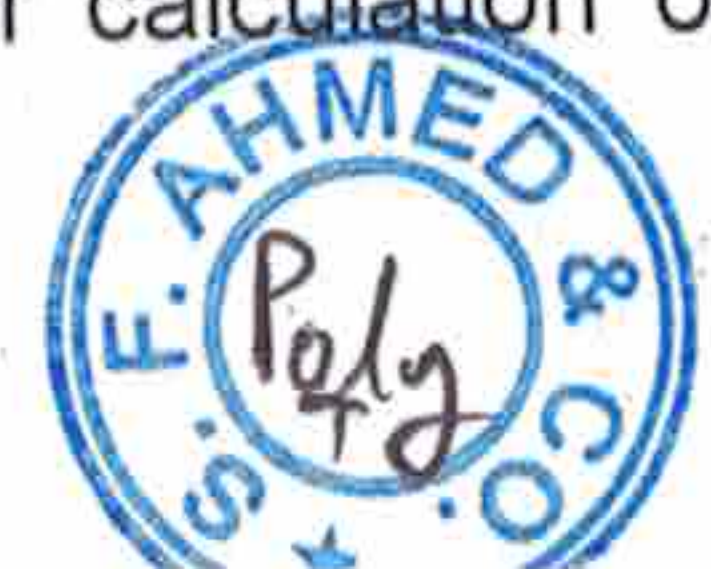


Sandhani AML SLIC Fixed Income Fund

Notes to the Financial Statements

For the period from 10 April 2022 to 31 December 2022

- (vi) The fund shall get the securities purchased or transferred in the name of the fund.
- (vii) Only the asset management company will make the investment decisions and place orders for securities to be purchased or sold for the scheme's portfolio.
- B. Valuation policy**
- (i) Investments in financial assets shall be reported at fair value, not at acquisition costs, in the statement of financial position of mutual fund.
- (ii) At initial recognition, the fund shall measure a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Likewise, an AMC shall recognize a sale of a financial asset at net realized value, that is, the selling price net of transaction costs.
- (iii) The asset management company shall recognize a financial asset or a financial liability in its statement of financial position when, and only when, the company becomes a party to the contractual provisions of the financial instrument. At initial recognition, the AMC shall measure a financial asset or a financial liability at its fair value plus (or minus) transaction costs that are directly attributable to the acquisition (or issue) of the financial asset or financial liability.
- (iv) After initial recognition of a financial asset, the asset management company shall classify, subject to the approval of the commission, the financial asset as subsequently measured at fair value through profit or loss, fair value through other comprehensive income, or amortized cost on the basis of both:
 - (a) the company's business model for managing financial assets and
 - (b) the contractual cash flow characteristics of the financial assets
- (v) The asset management company shall have the option, at initial recognition, to irrevocably designate a financial asset and a financial liability to be measured at fair value through profit or loss.
- (vi) After initial recognition, that is, at subsequent balance sheet dates, the asset management company shall measure a financial asset at fair value through profit or loss, fair value through other comprehensive income or amortized costs and in compliance with provision of IFRSs.
- (vii) After initial recognition of a financial liability, the asset management company shall classify and measure, subject to the approval of the commission, all financial liabilities at fair value through profit or loss, or amortized costs and comply with provisions of IFRSs. The asset management company shall have the option, at initial recognition, to irrevocably designate a financial liability to be measured at fair value through profit or loss.
- (viii) A gain or loss on a financial asset or financial liability that is measured at fair value shall be recognized in profit or loss unless:
 - (a) it is an investment in an equity instrument and the asset management company has elected present to present gains and losses on that investment in other comprehensive income.
 - (b) it is a financial asset measured at fair value through other comprehensive income;
 - (c) it is a financial liability designated as at fair value through profit or loss but the entity is required to present the effects of changes in the liability's credit risk in other comprehensive income. In that case, the remainder amount of change in the fair value shall be presented in profit or loss.
- (ix) At initial recognition, the asset management company may elect to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument which is not held for trading. The asset management company shall however recognize in profit or loss any dividends from investments in equity instruments that are not held for trading.
- (x) A gain or loss on a financial asset measured at fair value through other comprehensive income shall be recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses.
- (xi) The accrued interest on the fixed income securities shall be considered for calculation of net asset value (NAV).



Sandhani AML SLIC Fixed Income Fund

Notes to the Financial Statements

For the period from 10 April 2022 to 31 December 2022

- (xii) In case of deferred expenses, accrued expenses for the period will be taken into account for determining total liabilities of the fund.
- (xlii) For listed securities, the quoted closing price on Dhaka Stock Exchange (DSE) on the date of valuation shall form the basis of calculation of net asset value (NAV) of the fund.
- (xiV) In case a security is not traded with Dhaka Stock Exchange, the quoted closing price of the security on Chittagong Stock Exchange (CSE) on the date of valuation shall be considered for calculation of NAV of the fund.
- (xv) In case a security is not traded for 30 (Thirty) days in the DSE, the closing price of the security at DSE or CSE, whichever happens later, shall be considered for calculation of NAV of the fund.
- (xvi) The valuation of listed securities not traded in DSE or CSE within the last 30 (Thirty) days will be made based on their reasonable value by the asset management company and approved by the trustee and commented upon by the auditors in the annual report of the scheme of the mutual fund but shall not be more than the intrinsic value of the securities.
- (xvii) 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 the fund.
- (xviii) The fund shall comply with accounting recognition and measurement principles and disclosure rules of International Financial Reporting Standards (IFRSs) for the valuation of investments in securities and other financial instruments and be subject to the prior approval of the commission.
- (xix) The valuation of non-listed securities shall be made by the asset management company in compliance with IFRSs and approved by the Trustee. The asset management company and the trustee shall periodically review the non-listed investments. The auditors shall comment on the non-listed investments in the annual report of the scheme of the fund.
- (xx) Adequate disclosure shall be made on the valuation of investment in securities and other financial instruments in both the interim and annual financial statements. Trustee shall not approve any financial statements without adequate disclosure of accounting policies as to the fair valuation of investments in securities.
- (xxi) Independent external auditor shall give opinion as to the fair value of investments in securities and/or financial instruments of the fund. The external auditor shall specifically comment on assumptions and inputs used for the valuation of investments in unlisted securities of the fund.
- (xxii) Once non-listed securities are valued, the valued amount will be considered for the purpose of valuing the fund's assets in any interval of time until the securities are further revalued by the asset management company.
- (xxiii) The asset management company and the trustee will value the non-listed securities at least once in every three months.
- (xxiv) The asset management company should provide a quarterly valuation report for the non-listed investments to the trustee.

C. Net asset value calculation

- (i) An asset management company shall calculate net asset value (NAV) per unit of a mutual fund at fair value on a weekly basis and be disclosed in the manner specified by the commission.
- (ii) The net asset value of a fund shall be equal to the fair value of identifiable assets minus the fair value of liabilities of the fund. Net asset value per unit shall be calculated by dividing the net asset value by units outstanding of the Fund at the measurement date.
- (iii) An asset is identifiable if it either:
 - (a) is separable, i.e. capable of being separated or divided from the entity, or sold, transferred, licensed, rented, or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the entity intends to do so; or
 - (b) arises from contractual or other rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.



Sandhani AML SLIC Fixed Income Fund

Notes to the Financial Statements

For the period from 10 April 2022 to 31 December 2022

- (iv) Identifiable assets may include intangibles including monetary assets without physical substance but shall exclude fictitious assets such as unamortized issue costs, preliminary costs, and/ or advances, deposits and prepayments which embody no future economic benefits and cash flows to the company.
- (v) Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement shall be done for a particular asset or liability. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or in the absence of the principal market, in the most advantageous market for the asset or liability.
- (vi) In order to do fair valuation of assets and liabilities of a Fund, the Asset Management Company shall strictly comply with accounting recognition and measurement principles and disclosure provisions of International Financial Reporting Standards (IFRSs) particularly including that of IFRS 13 (Fair Value Measurement).

D. Revenue recognition

- (i) Income arising from the sale of investments are included in the Statement of Profit or Loss and Other Comprehensive Income on the date at which the transaction takes place.
- (ii) The cash dividend is recognised on an accrual basis. Dividends are recognised immediately after the record date as per industry practice, though as per IFRS-9 (Financial Instrument) dividends should be recognised when shareholders' right to receive dividends is established.
- (iii) Interest income is recognised on an accrual basis.
- (iv) Capital gain is recognised on being realised.

E. Preliminary and issue expenses

The initial issue cost of the fund, or any scheme of the fund, shall not exceed 3% (Three percent) of capital actually raised under the fund or the scheme of the fund. The asset management company shall amortize the initial issue costs of the fund within five (05) years as per trust deed. In case of availability of profits, an asset management company can amortize the issue expense over a period which is smaller than five years.

F. Management fee

As per the prospectus of the fund clause no. 5.6 management fee has to be paid to the asset management company @1.00 (one) percent per annum of the weekly average NAV, accrued duly and payable quarterly.

G. Trustee fee

The trustee shall be paid an annual trusteeship fee @0.10% of the net asset value (NAV) at fair value of the fund on a semi-annual basis, during the life of the fund.

H. Custodian fee

The fees for custodian services shall not exceed 0.10% per annum of the fair value of securities (both listed and non-listed) held by the fund, to be calculated and paid on a semi-annual basis.

The custodian shall have physical possession of the stock and securities of the fund and be responsible for safekeeping of the securities. The fund shall pay to the custodian safe keeping fee in following fees structure:

Slab	Rates of fees	Maximum Fee (BDT)
For the first BDT 500,000,000	0.05%	250,000
For the next BDT 250,000,000	0.04%	100,000
For the next BDT 250,000,000	0.03%	75,000
Rest Amount	-	50,000

I. Annual BSEC fee

The fund has paid BDT 1,000,000/- (BDT Ten Lac) only to the Bangladesh Securities and Exchange Commission as registration fee. In addition, the fund will have to pay @ 0.10% of the fund value or BDT 100,000/- (BDT One Lac), whichever is higher, as annual fee in terms of the Securities and Exchange Commission (Mutual Fund) Rules, 2001.



Sandhani AML SLIC Fixed Income Fund

Notes to the Financial Statements

For the period from 10 April 2022 to 31 December 2022

J. Taxation

The income of the fund is exempted from tax as per SRO No. 333-Act/Income Tax/2011 dated 10 November 2011, issued under section 44(4) clause (b) of Income Tax Ordinance, 1984; hence no provision for income tax is required to be recognised.

K. Dividend policy

The Sandhani AML SLIC Fixed Income Fund aims to achieve long-term capital appreciation and shall not provide any dividend. The unitholders can realize their returns through redemption of the units during the business hour as specified by the asset management company.

L. Cash and cash equivalents

Cash and cash equivalents comprise bank balances and term deposits.

M. Provisions

- (i) A provision is a liability of uncertain timing or amount. Where the fund has a present obligation arising from past events, the settlement of which is expected to result in an outflow from the fund of resources embodying economic benefits. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the reporting date under IAS-37 'Provisions, Contingent Liabilities and Contingent Assets.'
- (ii) Provision is made against diminution in the market value of investment as per Rule 67 of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001.

N. Statement of cash flows

Cash flows have been prepared under the direct method according to IAS-7 'Statement of Cash Flows'.

O. Earnings per unit

Earnings per unit have been calculated following IAS-33 'Earnings per Share' and shown on the face of Profit or Loss and Other Comprehensive Income.

P. Unit premium reserves

The general investors invest in Sandhani AML SLIC Fixed Income Fund by purchasing fund's units through the asset manager or its approved selling agents. Investors buy or sale units of the fund at the purchase price or surrender price, NAV/Unit, published weekly at daily newspaper and asset manager's website. If the purchase price is greater than the face value, i.e. BDT 10/Unit, the investors are buying the units at premium and the fund creates unit premium reserves from selling the units more than the face value. Similarly when investors redeem or sale their units at surrender rate which is more than the face value, they realized a portion of unit premium reserves and fund's performance as well.

Q. Commission payable to selling agent(s)

The fund shall pay commission to the authorized selling agent(s) to be appointed by the asset manager at the rate of 0.50% - 1.00% on the total sale amount of unit sales, accruable on collection basis and payable at the end of the month / quarter. The selling agent commission will be applicable for sales of unit; not on surrender of units. If individuals are appointed as selling agents by the asset manager, the commission payable to them will vary and fixed as per rules 2001. The selling agent commission may change in future with prior approval from the trustee.

R. Departure from IFRS and IAS

The Fund has written off Preliminary and issue expenses over a period of 05 (five) years on a straight-line method according to Rule-65(3) Ka of Bangladesh Securities & Exchange Commission (Mutual Fund) Rules, 2001 which contradicts with Paragraph 69(a) of IAS 38 'Intangible Assets', as it states that "no intangible or other asset is recognized when expenditure on start-up activities (i.e. start-up costs) is incurred to provide future economic benefits".



Sandhani AML SLIC Fixed Income Fund

Notes to the Financial Statements
For the period from 10 April 2022 to 31 December 2022

	2022 BDT
5. Investment in listed securities	
Investment in equity market (note 5.1)	370,770,737
	370,770,737

5.1 Sector wise break up of investment in listed securities:

Sector/Category	Total cost	Total market value	Surplus/ (Deficit)
Banks	9,431,010	8,487,909	(943,101)
Engineering	466,163	463,050	(3,113)
Food and allied products	10,009,963	10,374,000	364,038
Fuel and power	5,648,767	5,608,800	(39,967)
Pharmaceuticals and chemical	27,561,634	27,323,937	(237,697)
Cement	649,620	648,000	(1,620)
Insurance	76,220	214,178	137,958
Telecommunication	10,065,039	10,031,000	(34,039)
Financial institutions	958,685	925,536	(33,149)
Corporate Bond	52,776,613	53,400,000	623,388
Treasury bonds	254,044,706	253,294,326	(750,380)
	371,688,418	370,770,737	(917,682)

Details are in **Annex A.**

6. Preliminary and issue expenses	
Opening balance	4,870,192
Less: Write off during the period	(319,268)
Closing balance	4,550,924

Break-up of preliminary expenses is as follows:

Formation fees	5,000,000
Legal & compliance related expenses	1,432,705
Printing, publication and marketing	828,534
Other / Miscellaneous expenses	84,476
Less: Interest income from escrow account (As per rules)	(2,475,523)
Less: Amortized balance	-
	4,870,192

7. Other current assets	
Interest receivable on FDR	3,567,098
Interest receivable on bonds	5,008,388
Dividend receivable	792,589
Profit receivable from Beximco Green Sukuk Al Istisna'a	3,306,000
	12,674,075



Sandhani AML SLIC Fixed Income Fund

Notes to the Financial Statements
For the period from 10 April 2022 to 31 December 2022

	2022 BDT
8. Cash and cash equivalents	
STD accounts (note 8.1)	55,333,352
FDR account (Details are in Annex B)	385,595,469
BO account	48,491
	<u><u>440,977,312</u></u>
8.1 STD accounts	
<u>Name of the bank and branches</u>	<u>Account no.</u>
BRAC Bank Limited, Gulshan Branch	1513205147845001
BRAC Bank Limited, Gulshan Branch	2051478450002
BRAC Bank Limited, Gulshan Branch	2051478450003
Modhumoti Bank Limited, Motijheel Branch	110113500000134
	4,283,365
	4,700,549
	5,030,952
	41,318,486
	<u><u>55,333,352</u></u>
9. Capital fund	
Opening balance	-
Sponsor's contribution	100,000,000
<u>Add: Units sold during the period</u>	<u>711,979,970</u>
	811,979,970
<u>Less: Units surrendered by unit holders</u>	<u>-</u>
Closing balance	<u><u>811,979,970</u></u>
The unit capital represents 81,197,997 number of units of BDT 10 each	
10. Unit premium	
Opening balance	-
<u>Add: Premium on surrendered units during the period</u>	<u>30,020</u>
	30,020
<u>Less: Adjustment against sold units during the period</u>	<u>-</u>
Closing balance	<u><u>30,020</u></u>
11. Retained earnings	
Opening balance	-
<u>Add: Profit for the period</u>	<u>13,880,940</u>
	-
Closing balance	<u><u>13,880,940</u></u>
12 Current liabilities	
Asset management fee	2,027,840
Trustee fee	257,204
Custodian fee	112,964
Annual BSEC fee	500,000
Audit fee	34,500
Publication and other operational expenses	149,609
	<u><u>3,082,118</u></u>



Sandhani AML SLIC Fixed Income Fund

Notes to the Financial Statements
For the period from 10 April 2022 to 31 December 2022

	2022 BDT
13. Net asset value per unit (at cost price)	
Total assets	829,890,729
Less: Total liabilities	(3,082,118)
Net asset value (NAV)	826,808,612
Number of units	81,197,997
NAV per unit at cost	10.18
14. Net asset value per unit (at market price)	
Total assets	828,973,047
Less: Total liabilities	(3,082,118)
Net asset value (NAV)	825,890,930
Number of units	81,197,997
NAV per unit at market value	10.17
15. Capital gain	
Capital gain on sale of marketable securities	129,319
Details are in Annex C.	
16. Interest income	
Interest on fixed deposit	7,991,473
Interest on STD account	1,537,417
	9,528,890
17. Publication and other expenses	
Renewal and registration fees	25,000
Printing and publication expenses	58,650
CDS (CDBL) connection fee	16,895
IPO subscription fees	11,000
	111,545
18. Earnings per unit for the period	
Profit for the period (numerator)	13,880,940
Number of units (denominator)	81,197,997
Earnings per unit	0.17



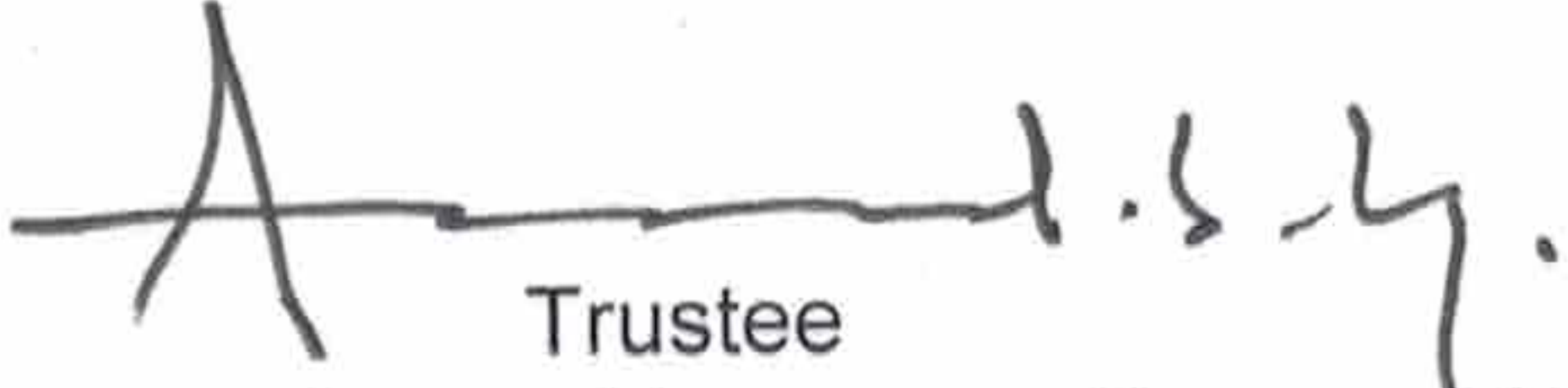
Sandhani AML SLIC Fixed Income Fund

Notes to the Financial Statements

For the period from 10 April 2022 to 31 December 2022

	2022
	BDT
19. Reconciliation between net profit to operating cash flow	
Profit for the period	14,798,622
Add: Amortization charged	319,268
Operating cash flow before changes in working capital	<u>15,117,890</u>
Changes in working capital:	
Decrease/ (Increase) of other current assets	(12,687,768)
(Decrease)/ Increase of current liabilities	3,082,118
	<u>(9,605,650)</u>
Net operating cash flows	<u><u>5,512,239</u></u>
20. Net operating cash flows per unit for the period	
Net cash inflow/(outflow) from operating activities (numerator)	5,525,932
Number of units (denominator)	81,197,997
Net operating cash flows per unit (NOCFPU)	<u><u>0.07</u></u>
21. Others	
22.1 Figures in these notes and annexed financial statements have been rounded off to the nearest BDT.	
22.2 These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.	

For and on behalf of Trustee and Asset Manager of
Sandhani AML SLIC Fixed Income Fund


Trustee
Bangladesh General Insurance Company Ltd.


Asset Manager
Sandhani Asset Management Company Ltd.

Dhaka, Bangladesh
Dated, 13 February 2023



Sandhani AML SLIC Fixed Income Fund

Annex A
-----1/2

Details of investment in listed securities
As at 31 December 2022

SL. no.	Company	Sector	Number of unit share	Number of saleable Unit	Average cost	Total cost	Market price per unit	Total market price	Unrealised gain/loss
					BDT	BDT	BDT	BDT	BDT
1	The ACME Laboratories Ltd.	Pharmaceuticals & Chemicals	22,525	22,525	86.65	1,951,715	85.00	1,914,625	(37,090)
2	British American Tobacco Bangladesh	Food & Allied	20,000	20,000	500.50	10,009,963	518.70	10,374,000	364,038
3	Global Islami Bank Ltd.	Banking	943,101	943,101	10.00	9,431,010	9.00	8,487,909	(943,101)
4	Grameenphone	Telecommunication	35,000	35,000	287.57	10,065,039	286.60	10,031,000	(34,039)
5	ICICL	Insurance	7,622	7,622	10.00	76,220	28.10	214,178	137,958
6	IDLC	Financial Institutions	19,904	19,904	48.17	958,685	46.50	925,536	(33,149)
7	IFADAUTOS Ltd.	Engineering	10,500	10,000	44.40	466,163	44.10	463,050	(3,113)
8	Lafarge Holcim Bangladesh Limited	Cement	10,000	10,000	64.96	649,620	64.80	648,000	(1,620)
9	MARICO Bangladesh	Pharmaceuticals & Chemicals	3,000	3,000	2,456.13	7,368,375	2,421.50	7,264,500	(103,875)
10	RENATA Ltd.	Pharmaceuticals & Chemicals	4,280	4,280	1,221.57	5,228,338	1,217.90	5,212,612	(15,726)
11	Square Pharmaceuticals Ltd.	Pharmaceuticals & Chemicals	39,000	39,000	211.88	8,263,207	209.80	8,182,200	(81,007)
12	United Power Generation & Distribution Company Ltd.	Fuel & Power	24,000	24,000	235.37	5,648,767	233.70	5,608,800	(39,967)
		Sub-Total				60,117,099		59,326,410	(790,689)



Sandhani AML SLIC Fixed Income Fund

Details of investment in Listed Bond

As at 31 December 2022

Annex A
-----2/2

SL. no.	Company	Sector	Number of unit share	Number of saleable Unit	Average cost	Total cost	Market price per unit	Total market price	Unrealised gain/ loss
					BDT	BDT	BDT	BDT	BDT
1	TB10Y0126	Treasury Bond	310,000	310,000	100	31,000,000	100	31,000,000	-
2	TB10Y0425	Treasury Bond	396,000	396,000	107	42,472,544	107	42,230,984	(241,560)
3	TB15Y0125	Treasury Bond	100,000	100,000	102	10,246,660	102	10,236,440	(10,220)
4	TB20Y0534	Treasury Bond	920,000	920,000	130	119,568,352	129	119,062,352	(506,000)
5	TB5Y0724	Treasury Bond	500,000	500,000	102	50,757,150	102	50,764,550	7,400
6	BEXIMCO GREEN-SUKUK AL ISTISNA'A	Corporate Bond	600,000	600,000	88	52,776,613	89	53,400,000	623,388
Sub-Total						306,821,319		306,694,326	(126,992)

** As per repurchase agreement with the primary dealer

C. Investment in Initial Public Offering (IPO)

SL. no.	Company	Sector	Number of unit share	Number of saleable Unit	Average cost	Total cost	Market price per unit	Total market price	Unrealised gain/ loss
1	Asiatic Laboratories Ltd.	Pharmaceuticals & Chemicals	95,000	95,000	50	4,750,000	50	4,750,000	-
Sub-Total						4,750,000		4,750,000	-
Grand Total						371,688,418		370,770,737	(917,682)



Sandhani AML SLIC Fixed Income Fund

Annex B

**Details of FDR
As at 31 December 2022**

SL.	Bank	Tenure	Account No.	Amount
1	Community Bank Bangladesh Limited	6 Months	0044TDCI22000693	50,000,000
2	Community Bank Bangladesh Limited	6 Months	0044TDCI22000709	10,000,000
3	Community Bank Bangladesh Limited	6 Months	0044TDCI22000718	10,000,000
4	EXIM Bank Limited	3 Months	0121001712199	45,595,469
5	IFIC Bank Limited	3 Months	1220914000002	10,000,000
6	IFIC Bank Limited	3 Months	1220914000003	10,000,000
7	Modhumoti Bank Limited	3 Months	1135253101	10,000,000
8	Modhumoti Bank Limited	3 Months	1135253102	10,000,000
9	Modhumoti Bank Limited	3 Months	1135253103	10,000,000
10	Modhumoti Bank Limited	3 Months	1135253104	10,000,000
11	Modhumoti Bank Limited	3 Months	1135253105	10,000,000
12	Modhumoti Bank Limited	3 Months	1135253106	10,000,000
13	Modhumoti Bank Limited	3 Months	1135253109	10,000,000
14	Modhumoti Bank Limited	3 Months	1135253110	10,000,000
15	Modhumoti Bank Limited	3 Months	1135253111	10,000,000
16	Modhumoti Bank Limited	3 Months	110125300001687	50,000,000
17	Modhumoti Bank Limited	3 Months	110125300001688	10,000,000
18	Modhumoti Bank Limited	3 Months	110125300001689	10,000,000
19	South Bangla Agriculture Bank Limited	3 Months	0002242068104	10,000,000
20	South Bangla Agriculture Bank Limited	3 Months	0002242068159	10,000,000
21	IDLC Finance Limited	3 Months	10552258546202	10,000,000
22	IDLC Finance Limited	3 Months	10552258546203	10,000,000
23	IDLC Finance Limited	3 Months	10552258546204	10,000,000
24	IDLC Finance Limited	3 Months	10552258546205	10,000,000
25	IPDC Finance Limited	6 Months	1001251000033486	7,500,000
26	IPDC Finance Limited	6 Months	1001251000033487	7,500,000
27	IPDC Finance Limited	6 Months	1001251000033488	7,500,000
28	IPDC Finance Limited	6 Months	1001251000033489	7,500,000
Total				385,595,469



Sandhani AML SLIC Fixed Income Fund

Annex C

**Details of gain/loss investment in listed securities
As at 31 December 2022**

Sl. No.	Scrip	Cost of investment	Sale value	Gain/(loss)
		BDT	BDT	BDT
1	United Power Generation & Distribution Company Ltd.	1,411,841	1,495,043	83,203
2	The ACME Laboratories Limited	217,284	223,428	6,143
3	Lafarge Holcim Bangladesh Limited	651,625	697,253	45,628
4	10Y BGTB 22/04/2025	1,501,555	1,495,900	(5,655)
Total		3,782,305	3,911,623	129,319

