

Sandhani AML SLIC Fixed Income Fund

Trustee: Bangladesh General Insurance Company Limited

42 Dilkusha Commercial Area

Dhaka 1000

Sandhani AML SLIC Fixed Income Fund

Auditor's report and financial statements
For the year ended 31 December 2023

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**

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 2023, 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 year then ended, 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 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the ethical requirement 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.

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:

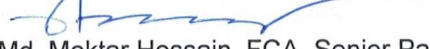
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 explanation 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 other comprehensive income (revenue account) dealt with by the report are in agreement with the books of account.

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) : 2402180728 AS197866

Dhaka, Bangladesh

Dated, 18 FEB 2024

Sandhani AML SLIC Fixed Income Fund

Statement of Financial Position (Balance Sheet)
As at 31 December 2023

	Notes	31 Dec 2023 BDT	31 Dec 2022 BDT
Assets			
Investment in shares and bonds	5	747,832,508	370,770,737
Investment in mutual funds	6	10,427,788	-
Preliminary and issue expenses	7	3,576,885	4,550,924
Other current assets	8	15,143,889	12,674,075
Cash and cash equivalents	9	91,643,503	440,977,312
Total assets		868,624,573	828,973,048
Equity and liabilities			
Equity			
Unit fund	10	800,082,090	811,979,970
Unit premium reserve	11	(1,252,872)	30,020
Retained earnings	12	66,624,117	13,880,940
Total equity		865,453,335	825,890,930
Liabilities	13	3,171,238	3,082,118
Total liabilities		3,171,238	3,082,118
Total equity and liabilities		868,624,573	828,973,048
Net Asset Value (NAV) per unit:			
At cost	14	10.90	10.18
At market price	15	10.82	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, 18 FEB 2024



S. F. AHMED & CO.
Chartered Accountants
DVC :

2402180728 AS197866

Sandhani AML SLIC Fixed Income Fund

**Statement of Profit or Loss and Other Comprehensive Income (Revenue Account)
For the year ended 31 December 2023**

	Notes	Year ended 31 Dec 2023 BDT	Period from 10 April to 31 Dec 2022 BDT
Income			
Capital gains	16	1,007,056	129,319
Dividend income (Annex E)		2,129,873	872,589
Interest on bonds		35,292,481	5,079,043
Interest income	17	25,267,011	9,528,890
Profit from investment in Beximco Green Sukuk Al Istisna'a		6,630,000	3,306,000
Other Income	18	500,000	-
Total income		70,826,421	18,915,840
Expenses			
Asset management fee		8,592,234	2,572,040
Preliminary and issue expenses	7	974,038	319,268
Custodian fee		403,161	112,964
Trustee fee		859,223	257,204
Annual fee to BSEC		825,802	500,000
CDBL fee		15,709	7,009
Audit fee		57,500	34,500
Other operating expenses	19	842,620	314,233
Total expenses		12,570,288	4,117,218
Profit before provision		58,256,133	14,798,622
(Provision)/Write back of provision against diminution in value of investment	20	(5,512,956)	(917,682)
Profit/(Loss) for the year/period		52,743,177	13,880,940
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year/period		52,743,177	13,880,940
Profit available for distribution		52,743,177	13,880,940
Number of units		80,008,209	81,197,997
Earnings per unit for the year/period	21	0.66	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


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Bangladesh General Insurance Company Ltd.


Asset Manager

Sandhani Asset Management Company Ltd.

See annexed report to the date



Dhaka, Bangladesh

Dated, 18 FEB 2024


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

Statement of Changes in Equity
For the year ended 31 December 2023

Particulars	Unit fund	Unit premium reserve	Retained earnings	Total equity
	BDT	BDT	BDT	BDT
Balance as at 1 January 2023	811,979,970	30,020	13,880,940	825,890,930
Unit capital raised during the year	14,290,620	-	-	14,290,620
Unit capital surrendered during the year	(26,188,500)	-	-	(26,188,500)
Unit premium	-	(1,282,892)	-	(1,282,892)
Profit for the year	-	-	52,743,177	52,743,177
Balance as at 31 December 2023	800,082,090	(1,252,872)	66,624,117	865,453,335
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, 18 FEB 2024

Sandhani AML SLIC Fixed Income Fund

Statement of Cash Flows
For the year ended 31 December 2023

	Year ended 31 Dec 2023 BDT	Period from 10 April to 31 Dec 2022 BDT
A. Cash flows from operating activities		
Dividend received	2,158,408	80,000
Profit from investment in Beximco Green Sukuk Al Istisna'a	6,636,000	-
Interest on deposits and bonds	58,919,862	6,032,446
Paid for operating expenses	(11,871,848)	(715,833)
Capital gains	1,007,056	129,319
Net cash from/(used in) operating activities	56,849,478	5,525,932
B. Cash flows from investing activities		
Cash received from/(used in) investment in securities	(393,002,516)	(371,688,418)
Preliminary and issue expenses	-	(4,870,192)
Net cash from/(used in) investing activities	(393,002,516)	(376,558,610)
C. Cash flows from financing activities		
Cash (paid)/received on account of surrender/sale of units	(11,897,880)	811,979,970
Cash received from/(paid for) transaction of units	(1,282,892)	30,020
Net cash from/(used in) financing activities	(13,180,772)	812,009,990
D. Net changes in cash and cash equivalents (D=A+B+C)	(349,333,809)	440,977,312
E. Opening cash and cash equivalents	440,977,312	-
F. Closing cash and cash equivalents (F=D+E)	91,643,503	440,977,312
Net operating cash flows per unit for the year/period	0.71	0.07

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, 18 FEB 2024

Sandhani AML SLIC Fixed Income Fund

Notes to the Financial Statements As at and for the year ended 31 December 2023

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 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 ended 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 investment schemes 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 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 1 January 2023 to 31 December 2023.



Sandhani AML SLIC Fixed Income Fund

Notes to the Financial Statements

As at and for the year ended 31 December 2023

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

As at and for the year ended 31 December 2023

- (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

As at and for the year ended 31 December 2023

- (xii) In case of deferred expenses, accrued expenses for the period will be taken into account for determining total liabilities of the fund.
- (xiii) 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

As at and for the year ended 31 December 2023

- (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

As at and for the year ended 31 December 2023

J. Taxation

The income of the Fund is exempted from tax as per clause (10) of 6th schedule, Part 1 of the Income Tax Act 2023.

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

As at and for the year ended 31 December 2023

	31 Dec 2023 BDT	31 Dec 2022 BDT
5. Investment in shares and bonds		
Investment in listed shares (note 5.1)	747,832,508	370,770,737
	747,832,508	370,770,737

5.1 Sector-wise break up:

Sector/Category	Total cost	Total market/ fair value	Surplus/ (Deficit)
Banks	9,431,010	8,516,202	(914,808)
Engineering	466,163	463,050	(3,113)
Food and allied products	10,046,903	10,439,014	392,112
Fuel and power	5,648,767	5,608,800	(39,967)
Pharmaceuticals and chemical	30,724,780	30,724,215	(565)
Cement	1,397,986	1,386,000	(11,986)
Insurance	1,191,275	1,242,500	51,225
Telecommunication	10,065,039	10,031,000	(34,039)
Travel & Leisure	658,856	567,000	(91,856)
Textile	2,314,271	2,310,000	(4,271)
IT Sector	1,298,238	1,020,240	(277,998)
Financial institutions	958,685	925,536	(33,149)
Corporate Bond	52,776,613	51,000,000	(1,776,613)
Treasury bonds	625,919,915	622,528,950	(3,390,965)
Miscellaneous	1,292,724	1,070,000	(222,724)
	754,191,222	747,832,508	(6,358,714)

Details are in **Annex A.**

6. Investment in mutual funds

Investment in open-ended mutual funds (note 6.1)	10,427,788	-
	10,427,788	-

6.1 Break up of investment in open-ended mutual funds:

	Total cost	Total market/ fair value	Surplus/ (Deficit)
EBL AML 1st Unit Fund	4,999,995	4,792,466	(207,529)
Ekush Growth Fund	3,999,717	4,033,322	33,604
Ekush Stable Return Fund	1,500,000	1,602,000	102,000
	10,499,712	10,427,788	(71,924)

Details are in **Annex B.**

7. Preliminary and issue expenses

Opening balance	4,550,924	-
Add: Addition during the year/period	-	4,870,192
	4,550,924	4,870,192
Less: Write off during the year/period	(974,038)	(319,268)
Closing balance	3,576,885	4,550,924

8. Other current assets

Interest receivable on FDR	639,849	3,567,098
Interest receivable on bonds	9,566,596	5,008,388
Interest receivable from bank account	8,669	-
Dividend receivable	764,055	792,589
BSEC Prepaid Annual Fee	864,720	-
Profit receivable from Beximco Green Sukuk Al Istisna'a	3,300,000	3,306,000
	15,143,889	12,674,075



Sandhani AML SLIC Fixed Income Fund

Notes to the Financial Statements

As at and for the year ended 31 December 2023

	31 Dec 2023	31 Dec 2022
	BDT	BDT
9. Cash and cash equivalents		
STD accounts (note 9.1)	49,928,672	55,333,352
FDR account (Details are in Annex C)	40,878,880	385,595,469
BO account	835,951	48,491
	91,643,503	440,977,312
9.1 STD accounts		
Name of the bank and branches	Account no.	
BRAC Bank PLC, Head Office	1513205147845001	503,157
BRAC Bank PLC, Head Office	2051478450002	36,602
BRAC Bank PLC, Head Office	2051478450003	204,304
BRAC Bank PLC, Head Office	2051478450004	5,310
Community Bank Ltd., Gulshan Branch	0070324218301	49,073,383
Modhumoti Bank Ltd., Motijheel Branch	110113500000134	105,918
	49,928,672	55,333,352
10. Unit fund		
Sponsor's contribution:		
10,000,000 units of BDT 10 each	100,000,000	100,000,000
Total contribution:		
Opening balance	811,979,970	-
Sponsor's contribution	-	100,000,000
Add: Units sold during the year/period	14,290,620	711,979,970
	826,270,590	811,979,970
Less: Units surrendered during the year/period	(26,188,500)	-
Closing balance	800,082,090	811,979,970
The unit capital represents 80,008,209 number of units of BDT 10 each.		
11. Unit premium reserve		
Opening balance	30,020	-
Add: Premium on surrendered units during the year/period	611,853	30,020
	641,873	30,020
Less: Adjustment against sold units during the year/period	(1,894,745)	-
Closing balance	(1,252,872)	30,020
12. Retained earnings		
Opening balance	13,880,940	-
Add: Profit/(loss) for the year/period	52,743,177	13,880,940
Closing balance	66,624,117	13,880,940
13. Liabilities		
Asset management fee	2,620,074	2,027,840
Trustee fee	222,965	257,204
Custodian fee	191,936	112,964
Annual BSEC fee	-	500,000
Audit fee	60,500	34,500
CDBL settlement fee	17,800	-
Publication and other operational expenses	57,963	149,609
	3,171,238	3,082,118



Sandhani AML SLIC Fixed Income Fund

Notes to the Financial Statements
As at and for the year ended 31 December 2023

	31 Dec 2023 BDT	31 Dec 2022 BDT
14. Net asset value per unit (at cost price)		
Total assets at cost price	875,055,211	829,890,729
Less: Current liabilities	(3,171,238)	(3,082,118)
Net asset value (NAV)	871,883,973	826,808,612
Number of outstanding units	80,008,209	81,197,997
Net asset value (NAV) per unit	10.90	10.18
15. Net asset value per unit (at market price)		
Total assets at market value	868,624,573	828,973,047
Less: Current liabilities	(3,171,238)	(3,082,118)
Net asset value (NAV)	865,453,335	825,890,930
Number of outstanding units	80,008,209	81,197,997
Net asset value (NAV) per unit	10.82	10.17
	Year ended 31 Dec 2023 BDT	Period from 10 April to 31 Dec 2022 BDT
16. Capital gains		
Capital gain on sale of marketable securities	1,007,056	129,319
Details are in Annex D.		
17. Interest income		
Interest on fixed deposit	24,330,454	7,991,473
Interest on STD account	936,556	1,537,417
	25,267,011	9,528,890
18. Other Income		
Reversal of annual BSEC fee	500,000	-
	500,000	-
19. Other operating expenses		
Renewal and registration fees	-	25,000
Printing and publication expenses	149,750	58,650
CDS (CDBL) connection fee	50,400	16,895
Bank charge and excise duty	633,470	202,688
Bidding fees - IPO	9,000	11,000
	842,620	314,233
20. (Provision)/Write back of provision against diminution in value of investment		
Opening balance	(917,682)	-
Add: Addition during the year/period	(5,512,956)	(917,682)
Closing balance	(6,430,638)	(917,682)
Details are in Annex A and Annex B.		
21. Earnings per unit		
Profit for the year/period (A)	52,743,177	13,880,940
Number of units (B)	80,008,209	81,197,997
Earnings per unit (A/B)	0.66	0.17



Sandhani AML SLIC Fixed Income Fund

Notes to the Financial Statements

As at and for the year ended 31 December 2023

	Year ended 31 Dec 2023 BDT	Period from 10 April to 31 Dec 2022 BDT
22. Reconciliation between net profit to operating cash flow		
Profit for the year/period	58,256,133	14,798,622
Add: Amortization charged	974,038	319,268
Operating cash flow before changes in working capital	<u>59,230,172</u>	<u>15,117,890</u>
Changes in working capital:		
Decrease/ (Increase) of other current assets	(2,469,814)	(12,674,075)
(Decrease)/ Increase of current liabilities	89,121	3,082,118
	<u>(2,380,694)</u>	<u>(9,591,958)</u>
Net operating cash flows	<u><u>56,849,478</u></u>	<u><u>5,525,932</u></u>
23. Net operating cash flows per unit for the year/period		
Net cash inflow/(outflow) from operating activities	56,849,478	5,525,932
Number of units	80,008,209	81,197,997
Net operating cash flows per unit	<u><u>0.71</u></u>	<u><u>0.07</u></u>

24. Others

24.1 Figures in these notes and annexed financial statements have been rounded off to the nearest BDT.

24.2 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, 18 FEB 2024

Sandhani AML SLIC Fixed Income Fund

**Details of investments in shares and bonds/bills
As at 31 December 2023**

A. Investment in shares

Sl. no.	Particulars	Sector	No. of shares	Average cost price		Total cost value		Market value		Total market value		Appreciation / (Erosion)	
				BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT		
1	The ACME Laboratories Ltd.	Pharmaceuticals & Chemicals	19,000	85.74	1,629,091	85.00	1,615,000						(14,091)
2	Square Pharmaceuticals Ltd.	Pharmaceuticals & Chemicals	43,277	210.84	9,124,431	210.30	9,101,153						(23,278)
3	The IBN SINA Pharmaceutical Industry PLC	Pharmaceuticals & Chemicals	5,000	287.32	1,436,583	286.60	1,433,000						(3,583)
4	RENATA Ltd.	Pharmaceuticals & Chemicals	4,280	1,221.57	5,228,338	1,217.90	5,212,612						(15,726)
5	MARICO Bangladesh	Pharmaceuticals & Chemicals	3,500	2,444.67	8,556,338	2,460.70	8,612,450						56,113
6	Agro Organica PLC	Food & Allied	3,694	10.00	36,940	17.60	65,014						28,074
7	British American Tobacco Bangladesh	Food & Allied	20,000	500.50	10,009,963	518.70	10,374,000						364,038
8	Fareast Islami Life Insurance Co. Ltd.	Insurance	7,500	68.17	511,275	75.00	562,500						51,225
9	Genex Infosys Limited	IT Sector	15,600	83.22	1,298,238	65.40	1,020,240						(277,998)
10	Global Islami Bank Ltd.	Banking	990,256	9.52	9,431,010	8.60	8,516,202						(914,808)
11	Grameenphone	Telecommunication	35,000	287.57	10,065,039	286.60	10,031,000						(34,039)
12	IDLC Finance Ltd.	Financial Institutions	19,904	48.17	958,685	46.50	925,536						(33,149)
13	IFAUTOS Ltd.	Engineering	10,500	44.40	466,163	44.10	463,050						(3,113)
14	Lafarge Holcim Bangladesh Limited	Cement	20,000	69.90	1,397,986	69.30	1,386,000						(11,986)
15	Paramount Textile PLC.	Textile	30,000	77.14	2,314,271	77.00	2,310,000						(4,271)
16	Unique Hotel & Resorts PLC	Travel & Leisure	10,000	65.89	658,856	56.70	567,000						(91,856)
17	United Power Generation & Distribution Company Ltd.	Fuel & Power	24,000	235.37	5,648,767	233.70	5,608,800						(39,967)
18	Bangladesh Shipping Corporation	Miscellaneous	10,000	129.27	1,292,724	107.00	1,070,000						(222,724)
	Sub-total (A)				70,064,694		68,873,558						(1,191,137)



Sandhani AML SLIC Fixed Income Fund

Details of investments in shares and bonds/bills
As at 31 December 2023

B. Investments in bonds/bills

Sl. no.	Particulars	Sector	No. of shares	Average cost price	Total cost value	Market value	Total market value	Appreciation / (Erosion)
				BDT	BDT	BDT	BDT	BDT
1	BD0928361205**	Treasury Bond	143,000	125.01	17,876,258	124.24	17,766,849	(109,409)
2	BD0931121208**	Treasury Bond	648,000	117.46	76,111,099	117.46	76,111,099	-
3	BD0925231153	Treasury Bond	100,000	102.47	10,246,660	98.00	9,800,480	(446,180)
4	BD0925381107	Treasury Bond	237,000	107.25	25,419,174	100.29	23,768,849	(1,650,326)
5	BD0924021050	Treasury Bond	476,000	101.51	48,320,807	99.02	47,135,757	(1,185,050)
6	BD0909118244	T-Bill (91 Days)	110,000	97.73	10,750,729	97.73	10,750,729	-
7	BD0909118244	T-Bill (91 Days)	110,000	97.75	10,752,038	97.75	10,752,038	-
8	BD0909118244	T-Bill (91 Days)	110,000	97.76	10,753,347	97.76	10,753,347	-
9	BD0909121248	T-Bill (91 Days)	350,000	97.61	34,161,995	97.61	34,161,995	-
10	BD0909124242	T-Bill (91 Days)	700,000	97.55	68,285,910	97.55	68,285,910	-
11	BD0909126247	T-Bill (91 Days)	2384000	97.51	232,463,363	97.51	232,463,363	-
12	BD0909130249	T-Bill (91 Days)	500000	97.32	48,661,350	97.32	48,661,350	-
13	BD0909131247	T-Bill (91 Days)	330000	97.32	32,117,184	97.32	32,117,184	-
14	BEXIMCO GREEN-SUKUK AL ISTISNA'A	Corporate Bond	600,000	87.96	52,776,613	85.00	51,000,000	(1,776,613)
		Sub-total (B)			678,696,527		673,528,950	(5,167,577)

** As per repurchase agreement with the primary dealer

C. Investment in initial public offering (IPO)-shares

Sl. no.	Particulars	Sector	No. of shares	Average cost price	Total cost value	Market value	Total market value	Appreciation / (Erosion)
1	Asiatic Laboratories Ltd.	Pharmaceuticals & Chemicals	95,000	50	4,750,000	50	4,750,000	-
2	Sikder Insurance Company Limited	Insurance	68,000	10	680,000	10	680,000	-
		Sub-total (C)			5,430,000		5,430,000	-
		Grand total (A+B+C)			754,191,222		747,832,508	(6,358,714)



Sandhani AML SLIC Fixed Income Fund

Details of investment in mutual funds
As at 31 December 2023

Investment in open-ended mutual funds:

Sl. no.	Name of fund	No. of units	Average cost price	Total cost	Repurchase price/ surrender value	Total market price	Provision
1	EBL AML 1st Unit Fund	482,625	10.36	4,999,995	9.93	4,792,466	(207,529)
2	Ekush Growth Fund	390,750	10.24	3,999,717	10.32	4,033,322	33,604
3	Ekush Stable Return Fund	150,000	10.00	1,500,000	10.68	1,602,000	102,000
	Sub-Total			<u>10,499,712</u>		<u>10,427,788</u>	<u>(71,924)</u>



Sandhani AML SLIC Fixed Income Fund

Annex C

**Details of investment in FDR
As at 31 December 2023**

Sl. no.	Bank	Tenure	Account No.	Amount BDT
1	Citizens Bank PLC	3 Months	1001202000233	7,969,720
2	Citizens Bank PLC	3 Months	1001202000234	7,969,720
3	Citizens Bank PLC	3 Months	1001202000235	7,969,720
4	Citizens Bank PLC	3 Months	1001202000236	7,969,720
5	IFIC Bank PLC	3 Months	1231005000001	9,000,000
		Total		<u>40,878,880</u>



Details of capital gain/(loss) on sale of marketable securities

Sl. No.	Company Name	Cost of investment	Sale value	Gain/(loss)
		BDT	BDT	BDT
1	Aamra Networks Limited	1,155,883	1,100,243	(55,640)
2	Aamra Technologies Limited	1,456,732	1,474,128	17,396
3	The ACME Laboratories Limited	2,708,574	2,745,556	36,983
4	ADN Telecom Limited	660,648	648,693	(11,954)
5	Al-Haj Textile Mills Limited	620,307	635,554	15,247
6	Al-Madina Pharma	48,040	166,282	118,242
7	Apex Foods Limited	1,164,195	1,199,813	35,618
8	Apex Foodwear Limited	258,144	257,405	(739)
9	BDCOM Online Limited	6,399,258	6,504,513	105,255
10	Bashundhara Paper Mills Limited	385,963	396,008	10,045
11	Bangladesh Shipping Corporation	1,395,580	1,398,599	3,018
12	Delta Life Insurance Limited	1,508,763	1,494,255	(14,508)
13	Export Import (Exim) Bank of Bangladesh	312,780	317,205	4,425
14	Fareast Islami Life Insurance Company Limited	1,503,750	1,560,090	56,340
15	Genex Infosys Limited	3,206,998	3,271,800	64,803
16	Green Delta Insurance Company Limited	1,008,515	1,002,488	(6,028)
17	The Ibn Sina Pharmaceutical Industry PLC	270,365	269,314	(1,051)
18	Islami Commercial Insurance Company Limited	76,220	355,818	279,598
19	Jamuna Oil Company Limited	1,692,358	1,657,391	(34,967)
20	Lafarge Holcim Bangladesh Limited	8,461,100	8,771,223	310,123
21	Taufika Foods and Lovello Ice-cream PLC	1,521,795	1,525,676	3,881
22	Midland Bank Ltd	3,748,744	4,585,258	836,514
23	Meghna Petroleum Limited	1,990,965	2,024,925	33,960
24	MK Footwear PLC	898,394	1,143,634	245,240
25	Navana Pharmaceuticals Limited	80,300	77,805	(2,495)
26	Olympic Industries	4,923,115	5,007,872	84,758
27	Paramount Textile PLC	1,003,503	1,019,744	16,242
28	Samorita Hospital Limited	384,459	401,338	16,879
29	Summit Alliance Port Limited	1,142,850	1,160,093	17,243
30	Sena Kalyan Insurance Company Limited	168,420	156,840	(11,580)
31	Trust Islami Life Insurance Ltd.	61,820	488,390	426,570
32	Unique Hotel & Resorts PLC	4,379,744	4,473,124	93,380
33	BD0924021050	2,436,343	2,413,186	(23,158)
34	BD0925381107	49,383,762	48,760,068	(623,694)
35	BD0926271109	65,149,321	65,221,799	72,478
36	BD0929381103	145,638,307	145,638,307	-
37	BD0934441207	468,877,375	467,597,477	(1,279,898)
38	BD0936401209	62,098,047	62,055,048	(42,999)
39	BD0926541055	72,852,416	73,337,990	485,574
40	BD0940401203	195,255,097	195,028,959	(226,138)
41	BD0934201205	23,671,701	23,628,115	(43,586)
42	BD0935201204	30,197,800	30,193,480	(4,320)
43	BD0939391209	98,344,233	98,344,233	-
	Total	1,268,502,680	1,269,509,737	1,007,056



Sandhani AML SLIC Fixed Income Fund

**Details of dividend income
For the year ended 31 December 2023**

SI No.	Company Name	Sector	Amount BDT
1	British American Tobacco Bangladesh	Food & Allied	170,000
2	Grameenphone	Telecommunication	266,000
3	Green Delta Insurance Company Limited	Insurance	30,000
4	Lafarge Holcim Bangladesh Limited	Cement	72,000
5	IDLC Finance Limited	Financial Institutions	25,378
6	EBL AML 1st Unit Fund		301,641
7	Global Islami Bank PLC	Banking	471,551
8	The Ibn Sina Pharmaceutical Industry PLC	Pharmaceuticals & Chemicals	24,000
9	Bangladesh Shipping Corporation	Miscellaneous	25,000
10	Unique Hotel And Resort PLC	Travel & Leisure	17,000
11	Renata Limited	Pharmaceuticals & Chemicals	22,738
12	Square Pharmaceuticals PLC	Pharmaceuticals & Chemicals	386,247
13	United Power Generation & Distribution Company Ltd.	Fuel & Power	163,200
14	IFAD Autos Limited	Engineering	8,925
15	Genex Infosys Limited	IT Sector	7,650
16	Paramount Textile PLC	Textile	30,000
17	The ACME Laboratories Limited	Pharmaceuticals & Chemicals	53,295
18	Jamuna Oil Company Limited	Fuel & Power	55,250
	Total		<u>2,129,873</u>

