

Mercantile Bank Unit Fund

Audited Financial Statements

As at and for the period from 01 September 2022
to 31 December 2022

Hoda Vasi Chowdhury & Co

Chartered Accountants

Independent Auditor's Report to the trust board of Mercantile Bank Unit Fund Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mercantile Bank Unit Fund (the "Fund"), which comprise the statement of financial position as at 31 December 2022 and the statement of profit or loss and other comprehensive income and statement of changes in equity and statement of cash flows for the period from 01 September 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 true and fair view of the financial position of the fund as at 31 December 2022 and its financial performance and its cash flows for the period from 01 September 2022 to 31 December 2022 in accordance with International Financial Reporting Standards (IFRS) as explained in note 2.

Basis for opinion

We conducted our audit in accordance with the 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 company 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 these ethical requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of key audit matters	Our response to key audit matters
Valuation of investments	
The fund has invested a substantial portion of its total assets in capital market instruments (i.e. equity shares). As per IFRS 9 Financial Instruments, such equity investment is considered a financial asset and requires it to be measured at fair value. Subsequently such investments shall be classified either as 'fair value through other comprehensive income' or 'fair through profit or losses on the basis of the entity's business model for managing these financial assets and contractual cash flow characteristics. IFRS 9 further allow an entity to make an irrevocable election to present in other	The Fund determines the fair value of its investment in listed equity shares as per the closing market price of the Dhaka Stock Exchange on the date of valuation and the resultant net unrealized gain / (loss) is calculated on portfolio basis. As per BSEC regulation for Mutual Fund and relevant Trust deed, the fund is obliged to distribute a minimum portion of its net profit to unit holders as dividend and hence distribution of any profit from unrealized gain may create cash flow issue for the fund. Accordingly, the Fund has adopted the policy to treat such equity investment as 'held for trading' which require fair value



<p>comprehensive income, the subsequent changes in fair value of an investment in equity instrument that is not held for trading with no subsequent recycle through profit or loss. Accordingly, because of the inherent nature of such investment we have considered valuation of investment and subsequent measurement basis as key audit matter.</p>	<p>change to be taken to profit or loss. Consistent with the industry practice and considering the requirement to distribute certain portion of net profit as dividend, the fund has adopted the policy that if there are any net unrealized loss on portfolio basis such loss is charged to profit or loss, but in case of any unrealized net gain on portfolio basis, such gain is taken directly to reserve through other comprehensive income instead of profit or loss. Upon selling of any such equity shares the fund takes the realized gain / (loss) of that individual share to profit or loss. As stated in Annexure-A to the financial statements, because of this accounting policy an aggregate amount of Tk. 1,886,381 is shown as an unrealized loss on marketable securities in the statement of profit or loss and other comprehensive income.</p>
<p>See Annexure-A for further details</p>	

Emphasis of Matter

We draw attention to note 2.07 of the financial statements which describe that the Fund has invested in FDR equivalent to 52% of the total assets of the Fund violating the condition mentioned in the Trust Deed.

Our opinion is not modified in respect of this matter.

Reporting on other information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information obtained prior to the date of this audit report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Asset Manager of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2, Securities and Exchange Commission (Mutual Fund) Rules 2001 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud and 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

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



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with Securities and Exchange Rules 1987, Securities and Exchange Commission (Mutual Fund) Rules 2001 and other applicable laws and regulations, we also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) the Fund's balance sheet and income statement along with the annexed notes thereto dealt with by this report are in agreement with books of accounts of the Fund;
- c) in our opinion, proper books of accounts as required by law have been kept by the Fund so far as it appeared from our examination of those books; and
- d) all expenditure incurred were for the purposes of the Fund's business.

Dhaka, 30 January 2023
DVC No: 2302131512A5478808


Shaikh Hasibur Rahman FCA
Enrolment No: 1512
Partner
Hoda Vasi Chowdhury & Co
Chartered Accountants



**Mercantile Bank Unit Fund
Statement of financial position
As at 31 December 2022**

Particulars	Notes	Amount in taka
		31 December 2022
Assets		
Non-current assets		204,768,436
Preliminary and issue expenses	3.00	3,182,639
Investments in securities & Govt. bond	4.00	88,073,797
Investment in FDR	5.00	113,512,000
Current assets		14,362,404
Account receivables	6.00	1,421,455
Advance, deposit and prepayments	7.00	313,257
Cash and cash equivalents	8.00	12,627,692
Total Assets		219,130,840
Shareholder's equity and liabilities		
Shareholders' equity		217,538,119
Unit capital	9.00	217,600,000
Retained earnings		(61,881)
Current Liabilities		1,592,721
Liability for expenses	10.00	1,592,721
Total shareholder's equity and liabilities		219,130,840
Net asset value (NAV)		217,538,119
Net asset value (NAV) per unit:		
At cost	12.00	10.08
At market price	13.00	10.00

These financial statements should be read in conjunction with annexed notes


CEO

ICB Capital Management Limited
(Trustee)



CEO
MBL Asset Management Limited
(Asset Manager)

See annexed report of even date

Dhaka, 30 January 2023
DVC No: 2302131512AS478808



Shaikh Hasibur Rahman FCA
Partner
Enrollment No: 1512
Hoda Vasi Chowdhury & Co.
Chartered Accountants



**Mercantile Bank Unit Fund
Statement of profit or loss and other comprehensive income
For the period from 01 September 2022 to 31 December 2022**

Particulars	Notes	Amount in taka
		For the period from 01 September 2022 to 31 December 2022
Income		
Interest income	13.00	3,031,182
Dividend income	14.00	1,037,140
Total income		4,068,322
Expenses		
Management fee		1,560,820
Amortization of preliminary and issue expense		227,331
BSEC annual fee		87,615
CDBL annual fee		43,332
Trustee fee		72,136
Custodian fee		5,318
IPO application fee		36,000
Brokerage commission		107,636
Audit fee		43,400
Newspaper publication expense		9,200
Unrealized (gain)/loss of marketable securities		1,886,381
Bank charges and excise duty		51,035
Total expenses		4,130,203
Net profit/(loss) for the period		(61,881)
Other comprehensive income		-
Total comprehensive income		(61,881)
Earnings per unit	16.00	(0.00)

These financial statements should be read in conjunction with annexed notes


CEO

ICB Capital Management Limited
(Trustee)


CEO

MBL Asset Management Limited
(Asset Manager)

See the annexed report of even date

Dhaka, 30 January 2023

DVC No: 2302131512A5478808



Shaikh Hasibur Rahman FCA
Partner

Enrollment No: 1512
Hoda Vasi Chowdhury & Co.
Chartered Accountants



**Mercantile Bank Unit Fund
Statement of changes in equity
For the period from 01 September 2022 to 31 December 2022**

Particulars	Unit capital	Retained earnings	Figure in Taka
			Total equity
Opening balance as on 01 September 2022			
Unit capital raised during the period	217,600,000	-	217,600,000
Unit surrendered			
Dividend paid for the year 2022			
Unrealized gain/(loss) during the period	-	-	-
Net profit during the period		(61,881)	(61,881)
Closing balance as on 31 December 2022	217,600,000	(61,881)	217,538,119

These financial statements should be read in conjunction with annexed notes


CEO

**ICB Capital Management Limited
(Trustee)**




CEO
**MBL Asset Management Limited
(Asset Manager)**




**Mercantile Bank Unit Fund
Statement of cash flows
For the period from 01 September 2022 to 31 December 2022**

Particulars	Amount in taka
	For the period from 01 September 2022 to 31 December 2022
A. Cash flows from operating activities	
Interest income in SND	1,066,638
Interest income in FDR	1,512,000
Dividend income	68,230
Advance, deposit and prepayments	(313,257)
Payment made for expenses	(423,772)
Net cash from operating activities	1,909,839
B. Cash flows from investing activities	
Net investment in shares and securities	(58,161,194)
Net investment in FDR	(113,512,000)
Net investment in BGTB	(31,798,983)
Net cash from investing activities	(203,472,177)
C. Cash flows from financing activities	
Proceeds from issuance of units	217,600,000
Preliminary & issue expenses	(3,409,970)
Net cash from financing activities	214,190,030
Net cash flows for the period	12,627,692
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	12,627,692
Net operating cash flows per unit	0.09

These financial statements should be read in conjunction with annexed notes


CEO
ICB Capital Management Limited
(Trustee)


CEO
MBL Asset Management Limited
(Asset Manager)



**Mercantile Bank Unit Fund
Notes to the Financial Statements
As at and For the period from 01 September 2022 to 31 December 2022**

1.00 Legal status and nature of the Fund

1.01 The Fund and its objectives

Mercantile Bank Unit Fund (the “Fund”) was established as a Trust under the Trust Act 1882 and registered with Sub-Registrar’s Office under the Registration Act 1908, on January 04, 2022. The Fund received Registration Certificate from the Bangladesh Securities and Exchange Commission (BSEC) on January 25, 2022 under the Securities and Exchange Commission (Mutual Fund) Rules 2001. The BSEC approved the Fund and provided consent on September 01, 2022. The initial size of the Fund is Tk. 500,000,000 (Taka five hundred million only) divided into 50,000,000 units of Tk. 10 each. Subsequently, the unit capital of the Fund now stands at Tk. 217,600,000.

Mercantile Bank Limited (MBL) is the sole Sponsor of the Fund. ICB Capital Management Limited is the Trustee and BRAC Bank Limited is the Custodian of the Fund. MBL Asset Management Limited is managing the operations of the Fund as the Asset Management Company.

1.02 Objectives

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

2.00 Summary of significant accounting policies and basis of preparation of the financial statements

2.01 Preparation of the financial statements

These financial statements are prepared on the accrual basis of accounting, under the historical cost convention, as modified for investments, which are ‘mark-to-market’ and in conformity with the International Financial Reporting Standards (IFRS) and also in compliance with requirements of Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001 (“Rules”) and other laws and regulations applicable in Bangladesh. In certain cases, where IFRS requirements are different from the Rules, the Rules have been followed in particular for recognition of unrealized fair value gain/loss on investments and capitalization of preliminary and issue expenses.

2.02 Statement of cash flows

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

2.03 Statement of changes in equity

The statement of changes in equity reflects information about the increase or decrease in net assets or wealth.

2.04 Functional and presentation currency

These financial statements are presented in Taka, which is Fund’s functional currency. Except as indicated figures have been rounded to the nearest Taka.



2.05 Reporting period & comparatives

This Financial Statement is presented for the period from 01 September 2022 to 31 December 2022. Since the Fund is presenting financial statements for the first year after establishment; no comparative information is available to present.

2.06 Date of authorization

This Financial Statements were authorized for issue by the Board of Trustee of the Fund on 30 January 2023 for the financial period ended 31 December 2022.

2.07 Investment policy

The Fund shall invest subject to the Securities and Exchange Commission (Mutual Fund) Rules, 2001 and only in those securities, deposits and investments approved by the Bangladesh Securities and Exchange Commission and/or any other competent authority in this regard.

- a) Not more than 70% of the total assets of the Fund shall be invested in capital market instruments out of which at least 50% shall be invested in listed securities.
- b) Not more than 30% of the total asset of the Fund shall be invested in investment-grade Fixed Income Securities (FIS) including Government Securities. Exposure to fixed income securities including term deposits shall not how ever exceed 40% of the total assets of the Fund.
- c) Not more than 10% of the total assets of the Fund shall be invested in non-listed securities at any particular date. In case of investment in non-listed corporate bonds or pre-IPO capital, the asset manager shall obtain prior approval of the Commission.
- d) All money collected under the Fund shall be invested only in encashable/transferable instruments, securities whether in money market or capital market or privately placed pre-IPO equity, preference shares, debentures or securitized debts.
- e) The Fund shall get the securities purchased or transferred in the name of the Fund.
- f) 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.
- g) Non-listed securities that are "investment grade" and enjoy "very strong" credit rating by a licensed credit rating agency are eligible for investment under the mutual Fund. The Fund can invest in investment grade unlisted securities only after a prior approval of the commission.

2.08 Valuation of investment

- a) Listed securities (other than mutual Fund) are valued at market in compliance of IFRS 9 - Financial instruments
- b) The listed securities are valued at the closing quoted market price for the calendar year 2022 based on the Dhaka Stock Exchange on the date of valuation i.e., 29 December 2022. However, the valuation of the IPO shares, trading of which did not start at the end of the year, are being done at the cost value.

2.09 Dividend policy

Pursuant to Rule 66 of the Securities and Exchange Commission (Mutual Fund) Rules, 2001 or any amendments of the Rules by Bangladesh Securities and Exchange Commission time to time, the Fund shall distribute by way of dividend to the holders of the units after the closing of the accounts an amount which shall be minimum 70% of the annual net profit as decided in the trustee meeting.



2.10 Management fee

Management fee is charged as per Trust Deed as well as pursuant to Rule 65 (2) of the Securities and Exchange Commission (Mutual Fund) Rules, 2001. The fee is accrued and payable quarterly at the following rates:

- a) at the rate of 2.50% per annum of the weekly average NAV Fund up to Taka 5 crore
- b) at the rate of 2.00% per annum for additional amount of the weekly average NAV above Taka 5 crore Fund up to Taka 25 crore
- c) at the rate of 1.50% per annum for additional amount of the weekly average NAV above Taka 25 crore Fund up to Taka 50 crore
- d) at the rate of 1.00% per annum for additional amount of the weekly average NAV over Taka 50 crore.

2.11 Trustee fee

The trustee fee shall be paid an annual trusteeship fee at the following rate on semi-annual in advance basis

SL No.	Fees Tranches	Fees
01	NAV of the first 200 crore of Fund	0.10%
02	NAV of the next 100 crore of Fund	0.09%
03	NAV of the remaining Fund	0.08%

2.12 Custodian fee

The custodian shall have physical possession of the stock and securities of the Fund and be responsible for safe keeping of the securities. The fee for custodian services will be 0.07% per annum of balance securities held by the Fund, calculated on the average market value per month. Besides this, the Fund will bear all other expenses viz (a) transaction fee of TK. 200 per transaction (b) local duties and fees like stamp duty on transaction, stamp duty on transaction deed (c) levies, brokerage, registrar's fee, local counsel/representation, external auditor's at the client's at the client's request, depository fees etc. However, a fee cap of 0.09% per annum on balance securities held by the Fund, calculated on the average market value per month would be applicable if the total expenses (including custodian fees, transaction fee & other expenses, mentioned above) per annum go higher than the mentioned fee cap amount. The fee for Custodian services will be realized semi-annually.

2.13 CDBL (Central Depository of Bangladesh Limited) Fees

The fixed annual fee of CDBL will be TK. 20,000 only plus VAT. Annual Central Depository System (CDS) connection fee will be TK. 6,000 only plus VAT.

2.14 Fund registration and annual fees

The Fund has paid Tk 10,000 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 Tk. 50,000 whichever is higher, as annual fee in term of Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001

2.15 Revenue recognition

- a) Dividend income is recognized on the ex-dividend date, which is considered as the date when rights to receive dividend is established.
- b) Capital gains are recognized on being realized.
- c) Bonus shares have been recognized at zero cost.
- d) Interest on Fixed Deposit and Short Term Deposit is recognized as income on accrual basis.

2.16 Taxation

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



2.17 Preliminary and issue expenses

As per Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001 preliminary and issue expenses are being written off over a period of 7 (seven) years. Where the Fund will amortized preliminary and issue expenses with in 5 years on a straight-line method.

2.18 Net asset value (NAV) per unit

The mutual Fund calculates Net Asset Value per share using the cost and market value, which has been shown on the face of statement of financial position and the computation of NAV per unit is stated in Note 12 and 13.

2.19 Earning per unit

The mutual Fund calculates Earning per Unit (EPU) in accordance with IAS 33. Earnings per Share, which has been shown on the face of the statement of profit or loss and other comprehensive income.

2.20 General

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



Amount in Taka
For the period from 01 September 2022 to 31 December 2022

3.00 Preliminary and issue expenses

Preliminary and issue expenses
Less: Amortization during the year

3,409,970
(227,331)
3,182,639

As per Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001 preliminary and issue expenses should be written off within 7 years. The Fund, however, disclosed its policy for writing off preliminary expenses over 5 years in the Prospectus. Considering the inception business environment and business operation of 04 months during the year the management has decided to account for the amortization expenses for the year which is applicable for 04 months and to amortize the remaining whole amount equally in next 4 years.

4.00 Investments in securities & Govt. bond

Secondary Market share
Govt. treasury bond

Annexure-A

56,274,814
31,798,983
88,073,797

The value of investment shares in the secondary market is shown at the market price. The Fund has invested 26.79% of net asset value in the secondary market. The Fund also purchased a two year government treasury bond from secondary market which is presented at the purchase price with a coupon rate of 7.40%

5.00 Fixed deposit receipts (FDR)

Institute Name	FDR A/C No		
Mercantile Bank Limited	1410000962151	Annexure-B	32,432,000
Mercantile Bank Limited	1410000962026		20,270,000
Mercantile Bank Limited	1410000962071		20,270,000
Mercantile Bank Limited	1410000962106		20,270,000
Mercantile Bank Limited	1410000962124		20,270,000
			113,512,000

The Fund has five FDRs in the money market with a 6.00% interest rate that are paid on a quarterly basis. The Fixed Income Securities including term deposits shall not be exceeded 40% of the total assets of the Fund as per the approved Trust Deed. The Fund, however, invested 52% of the total assets of the Fund in FDR which will be reduced very soon to comply with the law.

6.00 Account receivables

Dividend receivables
Other receivables

(Note no - 4.01)

(Note no - 4.02)

968,911
452,544

1,421,455

6.01 Dividend receivables

Square Pharmaceuticals Ltd.
Power Grid Company of Bangladesh Ltd
United Power Generation & Distribution Company Ltd.
Jamuna Oil Company Limited

425,000
62,390
243,555
237,966

968,911

6.02 Other receivables

Interest on FDR
Interest on SND
Interest on bond

136,214
43,917
272,413

452,544



7.00 Advance, deposit & prepayments		
Annual CDBL fee		37,808
Annual Trustee fee		145,464
Annual BSEC fee		129,985
		313,257
8.00 Cash and cash equivalents		
Cash at bank	(Note no - 8.01)	12,627,692
Cash in brokerage account	(Note no - 8.02)	-
		12,627,692
8.01 Cash at bank		
Mercantile Bank Limited (A/C No: 1131000048326)		12,627,692
		12,627,692
8.02 Cash in brokerage account		
Mercantile Bank Securities Limited		-
		-
9.00 Unit capital		
Opening subscription		217,600,000
Add: New subscription		-
Less: Units redeemed		-
		217,600,000
10.00 Liability for expenses		
Management fee		1,560,821
Audit fee		31,900
		1,592,721
11.00 Net Asset Value (NAV) per unit at cost		
Net Asset Value (NAV) at market price		217,538,119
(Less)/Add: unrealized (gain)/loss		1,886,381
Net Asset Value (NAV) at cost price		219,424,499
No. of units		21,760,000
NAV per unit at cost		10.08
12.00 Net Asset Value per unit at market price		
Net Asset Value (NAV)		217,538,119
No of units		21,760,000
NAV per unit at market price		10.00
13.00 Interest income		
Short notice deposit (SND)		1,110,555
Treasury bond		272,413
Fixed deposit receipt (FDR)		1,648,214
		3,031,182
14.00 Dividend income		
Square Pharmaceuticals Ltd.		425,000
Power Grid Company of Bangladesh Ltd		62,390
United Power Generation & Distribution Company Ltd.		243,555
Jamuna Oil Company Limited		237,966
Bangladesh Submarine Cable Company Limited		68,230
		1,037,140
15.00 Unrealized gain increase/(decrease) during the year		
Unrealized gain/(loss) as on 31 December 2022		(1,886,381)
Unrealized gain decrease during the year		(1,886,381)
16.00 Earnings per unit (EPU)		
Net profit/(loss) for the period		(61,881)
No. of units		21,760,000
Earnings per unit		(0.00)





Mercantile Bank Unit Fund
Portfolio as on 31 December 2022

Annexure-A

3.00 Marketable investment-at market value												
Name of the securities	Sector	Number of share / unit	Average unit cost	Acquisition cost	% of Net Asset Value	Market rate	Market value	Sectoral exposure as % of Total Asset at Cost	Unrealized gain / loss	Figure in Taka		
Square Pharmaceuticals Ltd.	Pharmaceuticals & Chemicals	50,000	209.80	10,490,000.00	4.82%	209.80	10,490,000	6.66%	-			
Marico Bangladesh Limited		1,638	2,434.88	3,988,337	1.83%	2,421.50	3,966,417		(21,920)			
Linde Bangladesh Limited		2,830	1,407.56	3,983,400	1.83%	1,397.70	3,955,491		(27,909)			
Power Grid Company of Bangladesh Ltd.	Fuel & Power	73,400	54.34	3,988,446	1.83%	52.40	3,846,160	7.33%	(142,286)			
Jamuna Oil Company Limited		23,330	170.43	3,976,205	1.83%	167.30	3,903,109		(73,096)			
United Power Generation & Distribution Company Ltd.		16,855	236.61	3,988,052	1.83%	233.70	3,939,013.50		(49,038)			
Bangladesh Submarine Cable Company Limited	Telecommunication	17,450	228.30	3,983,830	1.83%	218.90	3,819,805	1.83%	(164,025)			
Berger Paints Bangladesh Ltd.	Miscellaneous	5,000	1,731.20	8,656,016	3.98%	1,722.60	8,613,000	3.98%	(43,016)			
Global Islami Bank Limited	Bank	1,503,068	10.00	15,030,680	6.91%	9.00	13,527,612	6.91%	(1,503,068)			
Islami Commercial Insurance Company Limited	Insurance	7,623	10.00	76,230	0.04%	28.10	214,206.30	0.04%	137,976			
Subtotal				58,161,194	26.74%		56,274,814	26.74%	(1,886,381)			

Instrument Name	Sector	Face Value	Issue date	Purchase cost	% of Net Asset Value	Yield	Market value	Sectoral exposure as % of Total Asset at Cost	Unrealized gain/(loss)
02 year treasury bond	Govt. Bond	31,000,000	6/Jul/22	31,798,983	14.62%	7.4%	31,798,983	14.62%	-
Subtotal		31,000,000		31,798,983	14.62%		31,798,983	14.62%	-
Total				89,960,177	41.35%		88,073,797	41.35%	(1,886,381)

Net Asset Value 217,538,119

Note: The Fund has invested 41.35% of the total net assets in capital market.

Mercantile Bank Unit Fund
FDR statement as on 31 December 2022

Annexure-B
Figure in Taka

Bank Name	FDR No	Deposited Date	Mature Date	Opening FDR amount	Interest Income	TDS on interest(21-22)	Closing
Mercantile Bank Ltd.	1410000962151	25-Sep-22	24-Dec-22	32,000,000	504,000	72,000	32,432,000
Mercantile Bank Ltd.	1410000962026	25-Sep-22	24-Dec-22	20,000,000	315,000	45,000	20,270,000
Mercantile Bank Ltd.	1410000962071	25-Sep-22	24-Dec-22	20,000,000	315,000	45,000	20,270,000
Mercantile Bank Ltd.	1410000962106	25-Sep-22	24-Dec-22	20,000,000	315,000	45,000	20,270,000
Mercantile Bank Ltd.	1410000962124	25-Sep-22	24-Dec-22	20,000,000	315,000	45,000	20,270,000
Total				112,000,000	1,764,000	252,000	113,512,000

