

**Hoda Vasi
Chowdhury & Co**

**Audited Financial Statements
of
EDGE AMC Growth Fund
For the period 05 September to 31
December 2019**

Hoda Vasi Chowdhury & Co

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT To the Shareholders of EDGE AMC Growth Fund Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of EDGE AMC Growth Fund ("here-in-after referred to as "the Fund"), which comprise the statement of financial position as at December 31, 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the Companies Act, 1984, Securities and Exchange Rules, 1987, Securities and Exchange Commission (Mutual Fund) Rules, 2001 and other applicable laws and regulations.

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), and we have fulfilled 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.

Key Audit Matters

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

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

Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, the Companies Act, 1994, Securities and Exchange Rules, 1987, Securities and Exchange Commission (Mutual Fund) Rules, 2001 and other applicable Laws and regulation and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 gives a true and fair view.

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

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Fund so far as it appeared from our examination of those books; and
- c) the statement of financial position and statement of profit or loss and other comprehensive income along with the annexed notes dealt with by the report are in agreement with the books of account.

Dhaka,

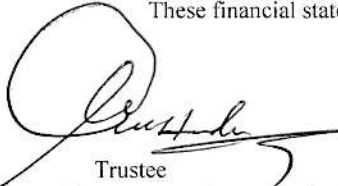
23 JAN 2020

Hoda Vasi Chowdhury & Co.
Hoda Vasi Chowdhury & Co
Chartered Accountants

**EDGE AMC Growth Fund
Statement of Financial Position
As at 31 December 2019**

	<u>Note(s)</u>	<u>2019 Taka</u>
Assets		
Investments - at market price	3	57,586,036
Other receivables	4	975,001
Preliminary and issue expenses	5	1,497,453
Advance annual CDBL fee		19,446
Fixed deposits receipts (FDRs)	6	27,000,000
Cash and cash equivalents	7	23,767,280
		110,845,216
Liabilities		
Accounts payable - CDBL fee		39,773
Liability for expenses	8	665,763
		705,536
Net Assets		110,139,680
Shareholders' Equity		
Unit capital	9	112,019,920
Unit premium reserve	10	(141,373)
Retained earnings		(1,738,867)
		110,139,680
Net asset value (NAV) per unit:		
At cost	11	9.99
At market price	12	9.83

These financial statements should be read in conjunction with annexed notes


Trustee
Sharadhani Life Insurance Company Limited


Asset Management Company
EDGE AMC Limited

AUDITORS' REPORT TO THE TRUSTEE
See annexed report of date

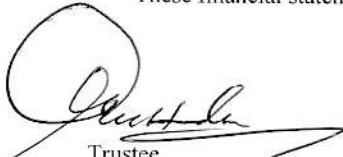
Dhaka, 23 JAN 2020


Chartered Accountants

**EDGE AMC Growth Fund
Statement of Profit or Loss and Other Comprehensive Income
For the period from 05 September to 31 December 2019**

	Note(s)	From 05 September to 31 December 2019
		<u>Taka</u>
Income		
Interest income	13	1,585,720
Net gain loss on sale of marketable securities	14	(575,036)
Dividend income	15	300,200
Unrealized loss		(1,810,008)
		<u>(499,125)</u>
Expenditure		
Management fees		754,043
Amortization of preliminary and issue expenses		72,507
CDBL annual fees		6,553
CDBL settlement and demat charges		13,227
Trustee fees		33,333
Custodian fees		17,575
IPO application fees		3,000
Brokerage commission		201,454
Audit fees		50,000
Newspaper publication exp		5,250
Bank charges and excise duty		57,030
Other operating expenses		25,770
		<u>1,239,742</u>
Loss for the period		<u>(1,738,867)</u>
Add: Other comprehensive income		-
Total comprehensive income for the period		<u><u>(1,738,867)</u></u>
Number of units outstanding		11,201,992
Earnings per unit for the period		(0.16)

These financial statements should be read in conjunction with annexed notes


 Trustee
 Shandhani Life Insurance Company Limited


 Asset Management Company
 EDGE AMC Limited

AUDITORS' REPORT TO THE TRUSTEE
See annexed report of date

Dhaka,

23 JAN 2020


 Chartered Accountants

**EDGE AMC Growth Fund
Statement of Changes in Equity
For the period from 05 September to 31 December 2019**

Amount in Taka


Particulars	Capital Fund	Unit Premium Reserve	Retained Earnings	Total Equity
Unit subscribed	112,134,920	-	-	112,134,920
Unit surrendered	(115,000)	(475)	-	(115,475)
Profit on unit subscribed	-	(140,898)	-	(140,898)
Net profit for the period	-	-	(1,738,867)	(1,738,867)
Balance at 31 December 2019	112,019,920	(141,373)	(1,738,867)	110,139,680


Trustee
Shandhani Life Insurance Company Limited


Asset Management Company
EDGE AMC Limited

**EDGE AMC Growth Fund
Statement of Cash Flows
For the period from 05 September to 31 December 2019**

	2019 Taka
A. Cash flows from operating activities	
Interest income from Bank A/C	781,182
Interest income FDRs	216,875
Gain on sale of investments	(575,035)
Management fees	(155,856)
Advance	(26,000)
Bank charge and excise duties	(17,530)
CDBL charges	(10,453)
IPO application fees	(3,000)
Brokerage commission	(201,454)
Advertising and promotion	(5,250)
Trustee fees	(33,333)
Printing	(2,500)
IT expense	(3,500)
Net cash flows from operating activities	(35,854)
B. Cash flows from investing activities	
Net investment in fixed deposit instruments	(27,000,000)
Net investment in shares and securities	(49,505,454)
Issue & formation expense capitalized	(1,569,960)
Net cash from investing activities	(78,075,414)
C. Cash flows from financial activities	
Proceeds from issuance of units	101,994,022
Proceeds made for re-purchase of units	(115,475)
Dividend Paid	-
Net cash flows from financing activities	101,878,547
Net cash flows for the period	23,767,280
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	23,767,280
Net operating cash flows per unit	(0.0032)


 Trustee
 Shandhani Life Insurance Company Ltd.


 Asset Management Company
 EDGE AMC Limited

**EDGE AMC Growth Fund
Notes to the Financial Statements
As at and for the period ended 31 December 2019**

1 Legal Status and Nature of the Company

1.01 The Fund and its Objectives

EDGE AMC Growth Fund (hereinafter referred to as "the Fund") was established as a Trust under the Trust Act, 1882 and registered with Sub-Registrars Office under the Registration Act 1908, on May 14, 2019. The Fund received Registration Certificate from the Bangladesh Securities and Exchange Commission (BSEC) on May 27, 2019 under the Securities and Exchange Commission (Mutual Fund) Rules 2001. The BSEC approved the Fund and provided consent on July 28, 2019. The initial size of the Fund is Tk. 100,000,000 (Taka one hundred million only) divided into 10,000,000 units of Tk. 10 each. Subsequently, the unit capital of the Fund now stands at Tk. 112,019,920.

Key Partners of the Fund are as follows:

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

1.02 Principal Activities

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

1.03 Objectives

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

2 Summary of Significant Accounting Policies

2.01 Preparation of the Financial Statements

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

2.02 Statement of Cash Flows

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

2.03 Statement of Changes in Equity

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

2.04 Functional and Presentation Currency

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

2.05 Reporting Period

These Financial Statements covers period from September 05, 2019 to December 31, 2019.

2.06 Investment Policy

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

2.07 Valuation of investment

The listed securities are valued at the closing quoted market price only on the Dhaka Stock Exchange on the date of valuation i.e. on December 31, 2019.

2.08 Dividend policy

- a) After the close of annual accounts, the Trustee, as appears, shall declare dividend for the Fund.
- b) It shall distribute at least 50% of the Annual Income derived from realized gains of the Fund, as dividend, at the end of first accounting year.
- c) No dividend may be declared or paid other than from earnings of the Fund available for distribution.
- d) Surplus arising simply from the valuation of investments may not be available for dividend.

2.09 Management fee

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

2.10 Trustee fee

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

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

2.11 Custodian fee

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

2.12 CDBL Fee

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

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

2.13 Fund registration and annual fee

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

2.14 Revenue Recognition

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

2.15 Taxation

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

2.16 Preliminary and Issue Expenses

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

2.17 Net Asset Value (NAV) Per Unit

The 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 NAV per Unit.

2.18 Earning Per Unit

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

2.19 Events after the reporting period

The Board of Trustees of the Fund has declared no dividend for the period from 05 September 2019 to 31 December 2019 at its meeting held on January 23, 2020.

2.20 General

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

EDGE AMC Growth Fund
Investments in marketable securities
As at 31 December 2019

Name of the securities	Number of share / unit	Average unit cost	Acquisition cost	Market rate	Market value	Amount in Taka
						Unrealized gain/ loss
BRAC Bank Limited	138,000	56.20	7,755,829	57.10	7,879,800	123,971
Square Pharmaceuticals Limited	42,720	205.08	8,761,062	190.00	8,116,800	(644,262)
Renata Limited	1,200	1,134.67	1,361,609	1,096.50	1,315,800	(45,809)
Beximco Pharmaceuticals Limited	110,000	78.77	8,665,227	69.40	7,634,000	(1,031,227)
British American Tobacco Bangladesh Company Limited	4,300	1,048.34	4,507,850	969.90	4,170,570	(337,280)
Olympic Industries Ltd.	4,500	158.94	715,217	165.00	742,500	27,283
Grameenphone Ltd.	21,500	309.21	6,648,063	285.80	6,144,700	(503,363)
Green Delta Mutual Fund	461,673	7.82	3,611,886	8.00	3,693,384	81,498
DBH First Mutual Fund	500,047	8.20	4,100,385	8.40	4,200,395	100,009
SEBL First Mutual Fund	100,000	10.20	1,020,000	10.00	1,000,000	(20,000)
Sub total			47,147,127		44,897,949	(2,249,179)
IPO allotment						
RingShine Textiles Limited	256,089	8.70	2,226,866	10.30	2,637,717	410,851
Sub total			2,226,866		2,637,717	410,851
Listed Bonds						
BB Bond-I	1		10,022,050		10,050,370	28,320
Sub total			10,022,050		10,050,370	28,320
Total			59,396,043		57,586,036	(1,810,008)

Note: The Fund has invested 53.05% of the total net assets of the fund in the capital market instruments. the rest is held in cash instruments.

	2019
	<u>Taka</u>
4 Other receivables	
Interest receivables from FDRs	397,631
Interest receivables from Bond	277,170
Dividend receivables	300,200
	<u>975,001</u>
5 Preliminary and issue expenses	
Preliminary and issue expenses	1,569,960
Less: Amortization during the period	(72,507)
	<u>1,497,453</u>
6 Fixed deposit receipts (FDRs)	
The City Bank Limited	9,000,000
IPDC Finance Limited	9,000,000
Delta Brac Housing	9,000,000
	<u>27,000,000</u>
7 Cash and cash equivalents	
Cash at banks	
<i>Current accounts with</i>	
BRAC Bank Limited - 1001	2,709,001
BRAC Bank Limited - 1006	423,517
The City Bank Limited - 5002	19,052,287
	<u>22,184,805</u>
Cash in brokerage account	
Cash available on UCB Capital Management Limited	<u>1,582,475</u>
	<u>23,767,280</u>

Hoda Vasi Chowdhury & Co

	2019 Taka
8 Liability for expenses	
Management fee	598,188
Custodian fee	17,575
Audit fee	50,000
	<u>665,763</u>
9 Unit capital	
Initial subscription (1,000,000 units of Taka 10 each)	10,000,000
Units subscribed during the period (10,213,492 units of Taka 10 each)	102,134,920
Units Surrendered during the period (11,500 units of Taka 10 each)	(115,000)
	<u>112,019,920</u>
10 Unit premium reserve	
New subscription	(140,898)
Less: Premium reserve paid for re-purchase	(475)
	<u>(141,373)</u>
11 Net Asset Value (NAV) per unit at cost	
Net Asset Value (NAV) at market price	110,139,680
Add: Unrealised Loss as on December 31, 2019	1,810,008
Net Asset Value (NAV) at cost price	111,949,688
No of unit	11,201,992
NAV per unit at cost	<u>9.99</u>
12 Net Asset Value per unit at market price	
Net Asset Value (NAV)	110,139,680
No of unit	11,201,992
NAV per unit at market price	<u>9.83</u>

Hoda Vasi Chowdhury & Co

From 05 September
to 31 December
2019
Taka

13 Interest income

Fixed deposits receipts (FDRs)	617,007
Interest from Bangladesh Bank Bond	167,761
Bank interest	800,952
	1,585,720

14 Net gain / (loss) on sale of marketable securities

Gain on sale of marketable securities

BRAC Bank Limited	50,809
BRAC Bank Limited	3,983
Eastern Bank Limited	179,386
Grameenphone Ltd.	130,311
Olympic Industries Ltd.	3,531
Renata Limited	237,170
Ring Shine Textiles Limited	502,476
The City Bank Limited	5,500
	1,113,167

Loss on sale of marketable securities

Beximco Pharmaceuticals Limited	(248,244)
BRAC Bank Limited	(51,050)
The City Bank Limited	(130,300)
Grameenphone Ltd.	(165,008)
Olympic Industries Ltd.	(170,158)
Square Pharmaceuticals Limited	(745,954)
Square Pharmaceuticals Limited	(2,290)
The City Bank Limited	(175,200)
	(1,688,203)
Net loss on sale of marketable securities	(575,036)

15 Dividend income

Square Pharmaceuticals Limited	130,200
Renata Limited	20,000
Beximco Pharmaceuticals Limited	150,000
	300,200


Trustee
Shandhani Life Insurance Company Limited


Asset Management Company
EDGE AMC Limited