Independent Auditors' Report and Financial Statements
of
RACE Financial Inclusion Unit Fund
For the year ended 31 December 2025

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Table of Contents

Independent Auditors' Report

To the Board of Trustee

Of

RACE Financial Inclusion Unit Fund

Opinion:

We have audited the financial statements of RACE Financial Inclusion Unit Fund, which comprise the Statement of Financial Position as at 31 December 2025, 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 of the financial position of RACE Financial Inclusion Unit Fund as at 31 December,2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), Bangladesh Securities and Exchange Commission, Mutual Fund Bidhimala (Rules), 2001, and other applicable laws and regulations.

Emphasis of Matters:

1. During the period of our audit, we found that no investment was made in the listed Treasury Bond although it was required as per BSEC Direction No. 4(c) of the Directive No. BSEC/CMRRCD/2009-193/54 dated 19 February 2023. In accordance with BSEC directive, the Mutual fund is required to invest in Treasury Bonds at least 1% of their own portfolios in the listed Treasury Bonds within 30 June 2023. Subsequently it was extended up to March 2024 through another Direction No: BSEC/SMMI/ExPol/01/2023/303 dated 13 August 2023.

Our opinion is not modified in respect of this matters.

However, our opinion is not modified in respect of these matters.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements' that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters:

Key audit matters are those matters that, in the auditors' professional judgment, were of most significance
In the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, 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. This is not a complete list of all risks identified by our audit

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Risk	Our response to the risk
Valuation of Investment	
• The Fund's investment portfolio Presented in the Statement of Financial Position at market value in listed and non-listed securities Tk. 235,321,929 represents 86.70% of the total assets Tk. 271,423,034. • Unrealized Loss in securities Tk.24,945,219. This is considered to be the key driver of the • Fund's capital and revenue Performance. • The market value of financial instruments that are traded in an active market is determined based on quoted market prices. • Due to their materiality in the context of the financial statements as a whole, they are considered to be the area which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.	• Testing the key controls over identification, Measurement and management of valuation risk as well as evaluating the methodologies and input parameters used by the Fund in determining fair values. • Obtained year-end share holding positions from the fund and through directional testing assessed the completeness of the report, • Obtained the CDBL report (DPA-6) and share portfolio and cross checked against each other to confirm status of financial instruments. • Assessing the adequacy of the disclosures in the financial statements against relevant accounting standards, the security and exchange Rules 1987, security exchange commission (Mutual Fund) Rules 2001 and other applicable laws and regulations.
See note number 5.00, 19.00 to the Financial Statements	
Financial income:	
• Financial income of Tk. 19,387,185 represents 90.65% of the total income Tk. 21,384,564 for the year ended 31 December 2025.	We have tested the design and operating effectiveness of controls around the due and receivable recording process • Our audit procedures included, among others, evaluating the design and implementation of relevant controls over recognition and measurement of financial income. • We performed substantive procedures by verifying income earned with supporting documents, Ledger, Bond interest Calculation, bank statements. • We recalculated income on investments to assess accuracy and completeness and ensured that income was recognized in accordance with applicable IFRS and relevant fund regulations. • We also assessed the reasonableness of income trends by performing analytical procedures and confirmed that financial income was properly disclosed in the financial statements Assessing the adequacy revenue recognition, measurement and disclosures made in relation to the income in the financial statements
See note number 16.00 to the Financial Statements	
Dividend Income:	
• Dividend income of Tk. 1,562,529 represents 7.30% of the total income Tk. 21,384,564 for the year ended 31 December 2025.	We have tested the design and operating effectiveness of controls around the due and receivable recording process • Comparing observable inputs against independent sources and externally available market data. • Re-performing the calculations used to check Accuracy and correctness of information. Assessing the adequacy revenue recognition, measurement and disclosures made in relation to the income in the financial statements.
See note number 15.00 to the Financial Statements	

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Chartered Accountants

Management Fee:	
• Management fee of Tk. 3,832,990 represents 68.62% of the total expense of Tk. 5,585,508 for the year ended 31 December,2025.	• Management fee is calculated as per the Asset Management Company @ 1.50% per annum of the weekly average NAV. • on a daily average NAV, applying the relevant slab-wise annual rates **as per Bangladesh Gazette 12 November 2025 section-77; Sub-section-2.** Up to BDT 50,000,000 – 2.00% Next BDT 200,000,000 – 1.50% Next BDT 250,000,000 – 1.25% Next BDT 1,500,000,000 – 1.00% Balance exceeding the above limits – 0.75% • Tested some sample basis voucher with ledger balance. Assessing the adequacy expense recognition measurement and disclosures made in relation to the expense in the financial statements.
Note no. 17.00 to the financial statements	

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, Bangladesh Securities & 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 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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures,

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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 Bangladesh Securities and Exchange Commission Mutual Fund Bidhimala (Rules), 2001, 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) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books;
c) The Statement of Financial Position and Statement of profit and loss and other comprehensive Income, of the Company dealt with by the report are in agreement with the books of account and returns; and
d) The investment was made as per Rule 56 of Bangladesh Securities and Exchange Commission Mutual Fund Bidhimala (Rules), 2001
e) The expenditure incurred and payments made were for the purpose of the Fund Business, and
f) The information and explanation required by us have been received and fund satisfactory.

Signed for & on behalf of
Basu Banerjee Nath & Co.
Chartered Accountants

Basu Banerjee Nath & Co. Chartered Accountants Dhaka

Dipok Kumar Roy, FCA
Partner
Enrolment No. 1334
DVC: 2604231334AS783844

Dhaka,
Dated:22-04-26

RACE FINANCIAL INCLUSION UNIT FUND

Statement of Financial Position

As at December 31, 2025

Particulars	Notes	Amount in Taka	
		31-Dec-25	31-Dec-24
Assets			
Investment in marketable securities-at fair value	**5.00**	235,321,929	244,368,148
Cash & Cash Equivalents	**6.00**	9,678,250	7,781,954
Preliminary & Issue Expenses	**7.00**	1,572,952	2,087,865
Other Receivables	**8.00**	24,716,585	21,425,519
Advance, Deposit & Prepayments	**9.00**	133,318	711,224.22
Total Assets		**271,423,034**	**276,374,710**
Liabilities			
Liabilities for Expenses	**10.00**	12,158,742	20,174,273
Liabilities for VAT & Tax	**11.00**	586,041	1,650,515
Unclaimed Dividend	**6.01**	180,982	305,491
Total Liabilities		**12,925,765**	**22,130,279**
Net Assets (A-B)		**258,497,269**	**254,244,432**
Shareholders' Equity			
Capital Fund	**12.00**	250,000,000	250,000,000
Unit Premium Reserve		1,485,000	1,485,000
Retained Earnings		7,012,269	2,759,432
Total Equity		**258,497,269**	**254,244,432**
Net Asset Value (NAV)-At Cost	**13.00**	283,442,488	270,143,432
No. of Units		25,000,000	25,000,000
		11.34	**10.81**
Net Asset Value (NAV)-at Fair Value	**13.00**	258,497,269	254,244,432
No. of Units		25,000,000	25,000,000
		10.34	**10.17**

The annexed notes from 1.00 to 22.00 form an integral part of these financial statements.

Asset Manager
Bangladesh RACE Management PCL

Chairman, Trustee
SENTINEL Trustee & Custodial Services Limited

Signed in terms of our separate report of even date annexed

Signed for & on behalf of
Basu Banerjee Nath & Co.
Chartered Accountants

Basu Banerjee Nath & Co. Chartered Accountants Dhaka

Dipok Kumar Roy, FCA
Partner
ICAB Enrollment No.1334
DVC: 2604231339AS783844

Dhaka,
Date: 22-04-26

RACE FINANCIAL INCLUSION UNIT FUND

Statement of Profit or Loss & other Comprehensive Income

For the year ended 31 December, 2025

Particulars	Notes	Amount in Taka	
		31-Dec-25	31-Dec-24
Operational Income			
Net Profit on Sale of Investment	14.00	-	517,009
Dividend Income from Investment	15.00	1,562,529	2,982,379
Financial Income	16.00	19,387,185	18,255,091
Other Income		434,849	-
Total Operational Income		**21,384,564**	**21,754,479**
Expenditure			
Management Fee	17.00	3,832,990	3,762,112
Amortization of Preliminary & Issue Exp.	7.00	514,913	516,323
Trustee Fee	18.00	378,381	381,481
BSEC Annaul Fee		250,000	250,000
CDBL Charge		103,868	46,103
Bank Charge		18,647	18,390
Audit Fee		57,500	40,250
Tax Expenses		387,771	-
Printing Publication & IPO expenses		41,439	160,200
Total Expenditure		**5,585,508**	**5,174,859**
Net Profit before Provision (A-B)		**15,799,056**	**16,579,620**
Total Provision for VAT, Write back/(Provision) against erosion of fair value	19.00	(9,046,218)	(13,853,151)
Net Profit after Provision transferred to retained earnings		**6,752,837**	**2,726,469**
Earnings Per Unit (EPU) for the period	20.00	**0.27**	**0.11**

The annexed notes from 1.00 to 22.00 form an integral part of these financial statements.

Asset Manager
Bangladesh RACE Management PCL

Chairman, Trustee
SENTINEL Trustee & Custodial Services Limited

Signed in terms of our separate report of even date annexed

Signed for & on behalf of
Basu Banerjee Nath & Co.
Chartered Accountants

BASU BANERJEE NATH & CO. Dhaka Chartered Accountants

Dipok Kumar Roy, FCA
Partner
ICAB Enrollment No.1334
DVC: 2604231334AS783844

Dhaka,
Date: 22-04-26

RACE FINANCIAL INCLUSION UNIT FUND

Statement of Changes in Equity
For the year ended December 31, 2025

Particulars	Capital Fund	Unit Premium Reserve	Retained Earnings	Amount in Taka Total Equity
Balance at 01 January 2025	250,000,000	1,485,000	2,759,432	254,244,432
Dividend Paid (2024) Cash	-	-	(2,500,000)	(2,500,000)
Net profit for the year	-	-	6,752,837	6,752,837
Balance at December 31, 2025	**250,000,000**	**1,485,000**	**7,012,269**	**258,497,269**

Statement of Changes in Equity
For the year ended December 31, 2024

Particulars	Capital Fund	Unit Premium Reserve	Retained Earnings	Amount in Taka Total Equity
Balance at 01 January 2024	250,000,000	1,485,000	13,782,964	265,267,964
Dividend Paid (2023) Cash	-	-	(13,750,000)	(13,750,000)
Net profit for the year	-	-	2,726,468	2,726,468
Balance at December 31, 2024	**250,000,000**	**1,485,000**	**2,759,432**	**254,244,432**

Asset Manager
Bangladesh RACE Management PCL

Chairman, Trustee
SENTINEL Trustee & Custodial Services Limited

Signed for & on behalf of
Basu Banerjee Nath & Co.
Chartered Accountants

Dipok Kumar Roy, FCA
Partner
ICAB Enrollment No.1334
DVC: 2604231334AS783849

BASU BANERJEE NATH & CO
Dhaka
Chartered Accountants

Dhaka,
Date: 22-04-26

RACE FINANCIAL INCLUSION UNIT FUND

Statement of Cash Flows

For the year ended December 31, 2025

Particular	Amount in Taka	
	31-Dec-25	31-Dec-24
Cash Flows from Operating Activities:		
Net Profit on sale of Investment	-	517,009
Dividend Income from Investment	2,225,377	2,159,717
Financial Income	14,475,404	852,362
Other Income	434,849	-
Other Operating Expenses	(16,072,694)	(2,600,058)
Net Cash Flow from Operating Activities	**1,062,937**	**929,030**
Cash Flows from Investing Activities:		
Net Investment In Securities	3,457,868	4,448,066
Net Cash used in Investing Activities	**3,457,868**	**4,448,066**
Cash Flows from Financing Activities:		
Dividend Paid (2024)	(2,500,000)	(13,750,000)
Unclaimed Dividend	(124,509)	196,065
Net Cash from Financing Activities	**(2,624,509)**	**(13,553,935)**
Net Increase/(Decrease) in cash & cash equivalents (A+B+C)	**1,896,296**	**(8,176,839)**
Opening Cash and Cash Equivalents	7,781,954	15,958,792
Closing Cash and Cash Equivalents (D+E)	**9,678,250**	**7,781,954**
Net Operating Cash Flow Per Unit (NOCFPU)	**0.04**	**0.04**

Asset Manager
Bangladesh RACE Management PCL

Chairman, Trustee
SENTINEL Trustee & Custodial Services Limited

Signed for & on behalf of
Basu Banerjee Nath & Co.
Chartered Accountants

Dipak Kumar Roy, FCA
Partner
ICAB Enrollment No.1334
DVC: 2604231334AS783844

Dhaka,

Date: 22-04-26

BASU BANERJEE NATH & CO. Dhaka Chartered Accountants

RACE FINANCIAL INCLUSION UNIT FUND
Notes to the Accounts
For the year ended December 31, 2025

1. The fund and legal status

Race Financial Inclusion Unit Fund (hereinafter called as "Fund") was established under a Trust Deed signed on 5th September, 2021 between Bangladesh RACE Management PCL as a 'Sponsor' and SENTINEL Trustee & Custodial Services Limited as a "Trustee". The Fund was registered under the Trust Act 1882 as well as under the Bangladesh Securities and Exchange Commission (BSEC) on 30th September, 2021 vide registration code no. BSEC/Mutual Fund/2021/123 under the Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001.

As provided in Trust Deed, Bangladesh RACE Management PCL, an asset management company, is the Fund Manager. Bangladesh RACE Management PCL was incorporated as a private limited company under Companies Act 1994 on March 2008.

Race Financial Inclusion Unit Fund is a open-end Mutual Fund. The objectives of the Fund are to provide regular dividend to the investors by investing the Fund both in capital and money market instruments. The Fund consists of 25,000,000 units of BDT 10 each. The units of the Fund are transferable.

2. Objectives

The RACE Financial Inclusion Unit Fund is created as a Sectoral Fund to invest majority assets in the Bond sector so as to channel stable earnings/income from fixed income instruments to investors across Bangladesh when bond markets are under stress the fund shall have the flexibility to balance/shift asset allocation to equities. The fund is created as a special purpose fund with the following objectives:

I. The Fund is an Open-end Special Purpose fund with balanced income orientation in the Bangladesh capital market;

II. The fund is created as a sectoral fund to invest majority assets in the bond sector so as to channel stable earnings/income from fixed income instruments to investors across Bangladesh; when bond markets are under stress the fund shall have the flexibility to balance/shift asset allocation to equities.

III. The fund is created as a special purpose fund with the following special objectives:

a. To invest a majority of its assets in fixed income securities so as to generate stable returns that are superior to money market returns offered by banks;

b. To provide demand support for the bond market of Bangladesh;

c. To promote financial inclusion of non-urban retail investors (outside dhaka/Chittagong belts) into capital market fund;

d. To promote responsible investing by channeling capital to companies that perform well on environmental, social, governance (esg) metrics and to contribute to the nation's sustainable development goals (sdg);

e. To channel bank investments into capital markets by fulfilling Bangladesh Bank's requirement to invest a portion of bank's capital market exposure in special purpose mutual funds.

3. Basis of preparation

3.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) and as per requirements of the Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001, Trust Deed and other applicable laws and regulations.

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3.2 Basis of measurement

These financial statements have been prepared on a going concern and accrual basis under historical cost convention in accordance with generally accepted accounting principles.

3.3 Functional and presentational currency

These financial statements are presented in BDT, which is also the Fund's functional and presentational currency.

3.4 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

3.5 Reporting period

These financial statements are prepared for the period from 01 January 2025 to 31 December 2025.

3.6 Taxation

The income of the Fund is exempted from Income Tax as per Bangladesh Gadget, Act no. 12 of the year 2023, under Section 76 (10) clause (ka) approved by The President of The Peoples Republic of Bangladesh dated June 22, 2023.

4. Significant accounting policies

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

4.1 Investment policy

The Fund shall strive to maintain the following investment exposure limits with the goal of balancing return and risk:

(i) The Mutual Fund shall invest not less than 30% of the total assets of the scheme of the fund in government securities or government backed securities.

(ii) Investment in the government securities shall not however exceed 60% of the total assets of the fund.

(iii) Not more than 50% of the total assets of the fund shall be invested in listed securities; however, during periods of stress in fixed income securities market, the Fund may invest an additional 20% in cash or securities other than fixed income securities.

(iv) Not more than 20% of the total assets of the fund shall be invested in non-listed securities that are not approved by the commission; however, government issued securities, government backed securities shall be exempt from this restriction. In case of investment in non-listed securities that are neither pre-approved by the commission nor are government issued nor are government backed securities, the asset manager shall obtain approval from the commission.

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(v) 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 scheme of the mutual fund.

(vi) The fund shall not invest more than 10% of its total assets in any one company or a group of companies under the control of a parent company. The condition shall not be applicable for investment in government securities.

(vii) The fund shall not invest more than 10% of paid up capital (or other securities such as bond or debenture) issued by any company.

4.2 Valuation of Investment at Fair Value:

The Fund intends to determine its NAV per unit on the last business day of each week by dividing the value of the net asset of the Fund (the value of total assets less total liabilities as per Rule 60 of the
by the total number of units outstanding. As per Section 58 of the
valuation policy of investment of the Fund needs to be approved earlier by the Bangladesh Securities and Exchange Commission. Valuation criteria so far approved by the Commission in the Trust Deed are as follows:
1) For listed securities, the average quoted market price on the stock exchanges on the date of valuation shall form the basis of any calculation of Net Asset Value of such securities in the portfolio of the Fund;
2) The Fund shall fix the valuation method for each of the schemes subject to prior approval of the Commission.
3) The Fund shall follow the method approved by the Commission for valuation of the non-listed investment, if any, and the Asset Management Company and the Trustee shall periodically review the value of such investment. The auditors shall comment on such investment in the annual reports of the Fund about that.
4) The valuation of Listed Securities but not traded within previous one month will be made within reasonable standards by the Asset Management Company and approved by the Trustee and commented upon by the Auditors in the Annual Report of the Mutual Fund but shall not be more than the intrinsic value of the securities.
5) 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 such securities in the portfolio of the Fund.

4.3 Dividend Policy

1) The accounting year of the Fund shall end on December 31 of every calendar year or as determined by the Commission.

2) The growth-oriented Fund in accordance with Rule 2 [1(▯)] and Rule 66of shall distribute minimum 50%, or as may be determined by the Bidhimala from time to time , of the annual net income of the Fund as dividend at the end of each accounting period after making provision for bad and doubtful investments . The Fund shall create a dividend equalization reserve by appropriation from the income of the Scheme;

3) Before declaration of dividend, the Asset Management Company shall make a provision with agreement of the auditors for revaluation of investments caused from loss if market value of investments goes beyond the acquisition cost, and the method of calculation of this provision must be incorporated in the notes of accounts.

4) The Fund shall create a dividend equalization reserve by suitable appropriation from the income of the Fund to ensure consistency in dividend.

5) The Asset Management Company shall dispatch the dividend warrants at the expense of the Fund, within 45 days of the declaration of the dividend and shall submit a statement within next 7 (seven) days to the Commission, the Trustee and the Custodian.

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4.4 Cash & cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances and fixed deposits.

4.5 Net asset value calculation

NAV per unit is being calculated using the following formula:
Total NAV = VA - LT
NAV per unit = Total NAV / No. of units outstanding.

VA: Value of all securities in vault + Value of all securities placed in lien + Cash in hand and bank balances + Value of all securities receivables + receivables of proceeds of sale of investments + Dividend receivable, net tax + Interest receivable, net of tax + Issue expenses amortised on that date + Printing, publication and stationery expenses amortised on date.

LT: Value of all securities payable + Payable against purchase of investments + Payable as brokerage and custodial charges + Payable as trustee fee + All other payable related to printing, publication and stationery + Accrued deferred expenses with regard to management fee, annual fee, audit fee and safe keeping fee.

4.6 Provisions

A provision is recognised if, as a result of a past event, the Fund has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the reporting period.
Before declaring any dividend, the fund shall provide for depreciation on investments and also make a provision for bad and douthful investments, to the satistaction of the auditors and shall disclose the method of depreciation and of provisioning for bad and douthful investments, if any, in the notes to the accounts of anyu scheme. The Asset Management Company, with the consent of the auditor, shall make provisions for revaluation of investments to cover losses if market value of investment goes below from their acquisition cost. The method of calculation of provision must be incorporated in the notes of the Accounts of the Fund.
The Fund shall create a dividend equalization reserve by suitable appropriation from the net income of the schemes.

4.7 Revenue recognition

Gains/losses arising on sale of investment are included in the Profit and Loss Statement on the date at which the transaction takes place. Dividend and interest income are recognised as per IFRS-15 and Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001.

4.8 Statement of cash flows

Cash flows from operating activities have been presented under direct method.

BASU BANERJEE NATH & CO
Dhaka
Chartered Accountants

RACE FINANCIAL INCLUSION UNIT FUND
Notes to the Financial Statements
For the period ended December 31, 2025

	Particular		Amount in Taka 31-Dec-25	Amount in Taka 31-Dec-24
5.00	**Investment in marketable securities-at fair value**			
	Capital Market Securities-Listed	5.01	235,321,929	244,368,148
			235,321,929	244,368,148

5.01 **Capital Market Securities-Listed**

Sector/ Category	Ticker Name	Amount in Taka				
		No. of Shares	Cost Value	Fair Value (31 Dec 2025)	Required (Provision)/ Excess	Fair Value (31 Dec 2024)
Bank	BANKASIA	1,177,000	21,644,569	21,421,400	(223,169)	18,190,010
	ONEBANKPLC	1,839,977	20,147,465	12,879,839	(7,267,626)	15,639,812
Sub-Total		**3,016,977**	**41,792,033**	**34,301,239**	**(7,490,794)**	**33,829,822**
Food and Allied	BATBC	20,556	12,792,821	5,110,222	(7,682,599)	7,556,386
Sub-Total		**20,556**	**12,792,821**	**5,110,222**	**(7,682,599)**	**7,556,386**
Pharma	RENATA	13,150	14,674,348	5,152,170	(9,522,178)	8,351,565
	SQURPHARMA	8,358	1,843,357	1,659,899	(183,458)	1,819,537
Sub-Total		**21,508**	**16,517,705**	**6,812,069**	**(9,705,636)**	**10,171,102**
Corporate Bond	Premier Bank Bond	19	189,000,000	189,000,000	-	192,685,799
	IBBLPBOND	160	164,589	98,400	(66,189)	125,040
Sub-Total		**179**	**189,164,589**	**189,098,400**	**(66,189)**	**192,810,839**
Grand Total		**3,059,220**	**260,267,148**	**235,321,929**	**(24,945,219)**	**244,368,148**

			31-Dec-25	31-Dec-24
	Net Provision Taken (5.01+6.01)		**(24,945,219)**	**(15,899,000)**
6.00	**Cash and Cash Equivalents :**			
	Bank balance with Operational Account:			
	Bank Asia-62036000025		7,153,855	6,755,841
	One Bank-0183000001638		2,343,413	720,622
	Sub-Total		**9,497,268**	**7,476,462**
	Restricted Cash (Dividend Accounts):			
	One Bank-0183000002244 (2024)		-	-
	One Bank-0183000002142 (2023)		20,932	-
	One Bank-0183000001809 (2022)		160,050	305,491
	Sub-Total	06.01	**180,982**	**305,491**
			9,678,250	**7,781,954**
6.01	**Unclaimed Dividend:**			
	Year 2024		-	-
	Year 2023		20,932	-
	Year 2022		160,050	305,491
			180,982	**305,491**
7.00	**Preliminary and Issue Expenses :**			
	Preliminary and Issue Expenses		2,087,865	2,604,188
	Less: Amortization during the year		514,913	516,323
			1,572,952	**2,087,865**
8.00	**Other Receivables :**			
	Dividend Receivable	8.01	184,189	847,037
	Interest Receivable	8.02	23,663,533	18,751,752
	Receivable from Brokerage house	8.03	868,862	1,826,730
			24,716,585	**21,425,519**
8.01	**Dividend Receivable :**			
	Renata Ltd.		72,325	120,980
	One Bank PLC		-	622,215
	Square Pharmaceuticals PLC		100,296	91,938
	IBBLPBOND		11,568	11,904
			184,189	**847,037**

BASU BANERJEE NATH & CO. Dhaka Chartered Accountants

	Particular		31-Dec-25	31-Dec-24
8.02	**Interest Receivable :**			
	Interest receivable from Corporate Bond		23,663,533	18,751,752
			23,663,533	**18,751,752**

Interest receivable represents that the amount of Tk.4,763,533 is due of previous year in addition to current year of Tk.18,900,000.

	Particular		31-Dec-25	31-Dec-24
8.03	**Receivable from Brokerage house:**			
	Multi Securities & Services Limited		859,908	1,759,908
	Smart Trades Limited		8,955	66,823
			868,862	**1,826,730**
9.00	**Advances, Deposits and Prepayments :**			
	Advance Income Tax		-	387,771
	Prepayments	9.01	133,318	323,454
			133,318	**711,224**
9.01	**Prepayments :**			
	Advance BSEC Annual Fee		125,000	125,000
	Advance CDBL Annual Fee		8,318	8,318
	Trustee fee- SENTINEL		-	190,136
			133,318	**323,454**
10.00	**Liabilities for expenses:**			
	Audit Fee		45,000	31,500
	Management Fee		5,161,870	1,712,179
	Trustee Fee		-	171,122
	Preliminary Expenses payable		3,279,280	3,279,280
	Dividend Payable-Cash		2,500,000	13,750,000
	Other Liabilities		808,592	808,592
	Printing & Publication Expenses		364,000	421,600
			12,158,742	**20,174,273**
11.00	**Liabilities for VAT & Tax:**			
	VAT & Tax Payable		586,041	1,650,515
			586,041	**1,650,515**
12.00	**Capital Fund:**			
	Size of Fund Capital			
	25,000,000 Units of Taka 10 each		250,000,000	250,000,000
			250,000,000	**250,000,000**
13.00	**Net Asset Value (NAV):**			
	Total Net Assets Value at Cost		283,442,488	270,143,432
	Number of unit		25,000,000	25,000,000
	Per Unit NAV at Cost		**11.34**	**10.81**
	a. Total Net Assets Value at Cost		283,442,488	270,143,432
	b. (Unrealized loss) or Unrealized Gain		(24,945,219)	(15,899,000)
	Total Net Assets Value at Fair Value (a+b)		**258,497,269**	**254,244,432**
	Number of unit		25,000,000	25,000,000
	Per Unit NAV at Fair Value		**10.34**	**10.17**
14.00	**Net profit on sale of investment:**			
	Net profit on sale of investment		-	517,009
	Less: Loss on sale of Investment		-	-
	Total		**-**	**517,009**
15.00	**Dividend Income from investment:**			
	Bank Asia PLC		1,070,000	1,605,000
	BATBC		308,340	513,900
	IBBLPBOND		11,568	11,904
	One Bank PLC		-	638,657
	RENATA		72,325	120,980
	Square Pharmaceuticals PLC.		100,296	91,938
			1,562,529	**2,982,379**
16.00	**Financial Income:**			
	Interest Income from Corporate Bonds		18,900,000	17,904,098
	Interest Income from Bank Accounts		487,185	350,992
			19,387,185	**18,255,091**

BASU BANERJEE NATH & CO. Dhaka Chartered Accountants

Particular	Amount in Taka	
	31-Dec-25	31-Dec-24

17.00 Management fee:	**3,832,990**	**3,762,112**

Bangladesh RACE Management PCL the asset manager of the fund is entitled to get an annual management fee @1.50% of the weekly average NAV to be paid on a quarterly basis as per Trust Deed. And the daily average NAV is applying the relevant slab wise annual rates as per Bangladesh Gazette 12 November 2025 section- 77; Sub-section-2.

18.00 Trustee fee:	**378,381**	**381,481**

SENTINEL Trustee & Custodial Services Limited the trustee of the fund is entitled to get an annual trusteeship fee @0.15% of the net asset value per annum, payable semi-annually in advance basis during the entire life of the Fund as per Trust Deed.

19.00 (Provision for VAT,Tax & write off)/ write back against erosion of fair value		
a. Balance Forwarded for provision from last year	(15,899,000)	(2,666,044)
b. Total required (Provision)/Excess (Note 5.01)	(24,945,219)	(15,899,000)
(b-a)(Provision)/Written Back of provision in Profit or Loss Statement for mkt loss	(9,046,218)	(13,232,957)
Provision for VAT	-	(620,195)
Total (Provision)/Writeback Charged	**(9,046,218)**	**(13,853,151)**

20.00 Earnings Per Unit (EPU):		
Net profit after (provision)/writeback of unrealize loss	6,752,837	2,726,469
Number of unit	25,000,000	25,000,000
	0.27	**0.11**

21.00 Events after the Reporting Period:

The Trustee of the Fund has approved dividend for the year ended 31 December 2025 at the rate of 2.50% dividend on the capital fund of Taka 250,000,000.00 in the form of cash and the record date will be on 31 December 2025 at the meeting held on 22 April 2026.

22.00 Others:

a. These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.

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

c. Figures of previous year have been rearranged wherever considered necessary, to conform with the current year's presentation.

Asset Manager
Bangladesh RACE Management PCL

Chairman, Trustee
SENTINEL Trustee & Custodial Services Limited

BASU BANERJEE NATH & CO
Dhaka
Chartered Accountants