

Independent Auditor's Report

To the Stakeholders of
Siddhartha Investment Growth Scheme-2

Opinion

We have audited the accompanying financial statements of **M/S Siddhartha Investment Growth Scheme-2** which comprise the Statement of financial position as at 32 Ashadh, 2083 (July 16, 2026), 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 give a true and fair view of the financial position of the Scheme as at 32 Ashadh, 2083 (July 16, 2026), and its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRS).

Basis for Opinion

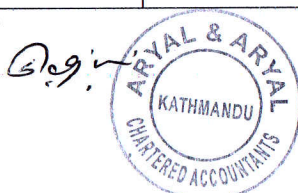
We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements of our report. We are independent of the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements in Nepal, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 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.

Key Audit Matters identified during the audit of the scheme are as follows-

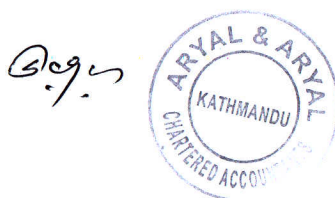
Key Audit Matter	How the Matter was Addressed in Our Audit
Valuation of Investments Investments (listed equity, debentures/bonds, government securities, fixed deposits, and units in other collective investment schemes) constitute the most significant portion of the total assets of the Scheme and form the primary basis on which	Our audit procedures in relation to valuation of investments included, among others: Obtaining an understanding of and evaluating the design and implementation of the Scheme Manager's and Depository's key controls over investment valuation and trade processing;



Key Audit Matter	How the Matter was Addressed in Our Audit
the Net Asset Value (NAV) per unit is computed and published. The valuation of investments requires the Scheme Manager to apply the valuation methodology prescribed under the Mutual Fund Regulations, 2067, the Mutual Fund Guidelines, 2069, and the requirements of Nepal Financial Reporting Standards (NFRS 9 – Financial Instruments and NFRS 13 – Fair Value Measurement). This involves significant judgment, particularly in respect of: • Determination of quoted market price for listed securities traded on NEPSE as at the reporting/valuation date, including treatment of illiquid or infrequently traded scripts; • Valuation of unlisted, or unquoted securities where an active market does not exist; • Adjustment of cost/value on account of corporate actions such as bonus shares, rights shares, and stock splits; • Compliance with sectoral and single-scrip investment exposure limits prescribed under the Mutual Fund Regulations, 2067, non-compliance with which could indicate misstatement or regulatory breach affecting valuation. Given the materiality of investments to the financial statements as a whole, the direct impact of valuation on the NAV per unit (which drives unit pricing, and distributable income), and the degree of management judgment involved in valuing non-quoted instruments, we identified valuation of investments as a key audit matter.	• Testing the NAV computation as at the reporting date by independently recomputing the value of the investment portfolio and agreeing it to the books of account. • For listed securities, independently verifying closing market prices used in valuation to the official NEPSE closing price list as at the valuation date; • For unlisted/unquoted securities, evaluating the appropriateness of the valuation methodology applied against the requirements of the Mutual Fund Regulations, 2067, SEBON Guidelines/Directives, and NFRS 13, and testing the inputs (e.g., latest audited net worth, book value) used in the computation; • Verifying adjustments made for bonus shares, rights shares, and other corporate actions during the year. • Checking compliance with investment concentration and sectoral limits prescribed under the Mutual Fund Regulations, 2067, and assessing management's evaluation of any instances of non-compliance; • Evaluating the adequacy of disclosures relating to investments and fair value hierarchy in the financial statements in accordance with, NFRS 9, and NFRS 13, and the disclosure requirements prescribed by SEBON. • Evaluating appropriateness of classification of investments as Financial Assets at Fair Value through Profit/Loss and Financial Assets at Amortized Costs.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with NFRS, 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 Scheme'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 Scheme or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Scheme's financial reporting process.

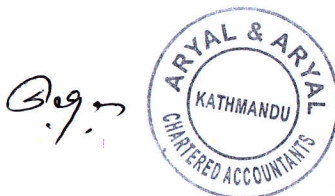
Auditor's Responsibility for Audit of Financial Statements

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 NSAs 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 NSAs, 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 Scheme'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 Scheme'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 Scheme 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Scheme to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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 auditor's 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

On the basis of our examination, we would like to further report that:

- i. We have obtained all the information and explanations, which were considered necessary for the purpose for our audit.
- ii. The Scheme has kept proper books of accounts as required by law, in so far as it appears from our examination of those books of account.
- iii. The Statement of financial position, statement of profit or loss and other comprehensive income, statement of cash flows, statement of changes in equity, significant accounting policies and notes to the accounts dealt by this report are in agreement with the books of account maintained by the Scheme and in compliance with the provisions of the Securities Act 2063, Mutual Fund regulations 2067 and mutual fund guidelines, 2069.
- iv. The Scheme has invested its funds in accordance with Mutual Fund Regulations, 2067.
- v. During our examination of the books of account of the Scheme, we have not come across the cases where the scheme or any representative or any office holder or any employee of the Scheme has acted contrary to the provisions of law or caused loss or damage to the Scheme.
- vi. We have not come across any cases where the Scheme has conducted activities against the interests of the unitholders or the capital market;
- vii. We have not come across any fraudulence in the accounts, so far as it appeared from our examination of the book, and
- viii. The Scheme has not acted in a manner to jeopardize the interest and security of the stakeholders.

For Aryal & Aryal

Chartered Accountants

B. S. Regmi



FCA Sudhan Regmi

Proprietor

Date: 2026-08-18

Place: Kathmandu

UDIN: 260818CA006753Vv9b

Siddhartha Mutual Fund
(A Mutual Fund Registered by Siddhartha Bank Limited under Mutual Fund Regulations, 2010)

Siddhartha Investment Growth Scheme 2
Fund Manager & Depository: Siddhartha Capital Limited

Statement of Financial Position
As at Ashad 32, 2083 (July 16, 2026)

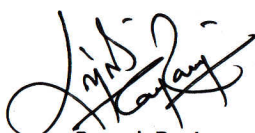
ASSETS	Schedules	As at Ashad 32, 2083 (July 16, 2026) NPR	As at Ashad 32, 2082 (July 16, 2025) NPR
Cash & Cash Equivalents	1	159,215,771	61,897,668
Other Financial Assets	2	2,854,121	5,142,178
Financial Assets at Fair Value through Profit/Loss	3	1,118,873,389	1,410,095,666
Financial Assets at Amortized Cost	4	27,719,838	37,726,350
Total Assets		1,308,663,119	1,514,861,862

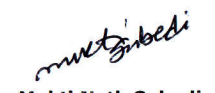
CAPITAL AND LIABILITIES	Schedules	As at Ashad 32, 2083 (July 16, 2026) NPR	As at Ashad 32, 2082 (July 16, 2025) NPR
Liabilities			
Current Liabilities	5	6,192,034	15,787,398
Total Liabilities		6,192,034	15,787,398
Capital			
Unit Holder's Capital	6	1,200,000,000	1,200,000,000
Reserves and Surplus	7	102,471,085	299,074,464
Total Capital		1,302,471,085	1,499,074,464
Total Capital & Liabilities		1,308,663,119	1,514,861,862
NAV Per Unit		10.85	12.49

Significant Accounting Policies	11
Notes to Accounts	12

Schedules 1 to 12 form Integral part of Financial Statements

On Behalf of Siddhartha Capital Limited
(Fund Management Company)

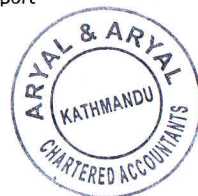

Rupesh Raut
Head, Finance & Operations


Mukti Nath Subedi
Chief Operating Officer


Sandeep Karki
Chief Executive Officer

As per our attached report
of even date


Sudhan Regmi, FCA
Proprietor

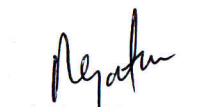



Varun Kumar Todi
Director


Suresh Raj Maharjan
Director


Mohit Kedia
Chairman

Aryal & Aryal
Chartered Accountants


Rishi Raj Gautam
Independent Director


Kiran Thapa
Independent Director



Date: August 17, 2026
Place: Kathmandu, Nepal

Siddhartha Mutual Fund
(A Mutual Fund Registered by Siddhartha Bank Limited under Mutual Fund Regulations, 2010)

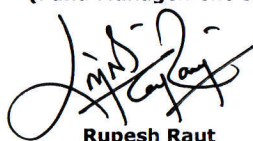
Siddhartha Investment Growth Scheme 2
Fund Manager & Depository: Siddhartha Capital Limited

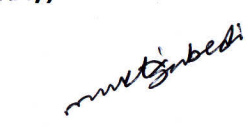
Statement of Profit or Loss
For the year ended Ashad 32, 2083 (July 16, 2026)

Particular	Schedules	Year ended Ashad 32, 2083 (July 16, 2026) NPR	Year ended Ashad 32, 2082 (July 16, 2025) NPR
1. Income		116,645,266	141,158,681
1.1 Realised Income	8	116,645,266	141,158,681
2. Expenses		23,589,301	27,810,866
2.1 Annual Regular Expenses	9	23,589,301	27,810,866
Realised Profit/(Loss)		93,055,965	113,347,815
Net Unrealised Gain/(Loss) from Financial Assets Held at Fair Value through Profit or Loss (FVTPL)	10	(49,659,345)	139,400,130
Net Profit/(Loss) for the Year		43,396,620	252,747,945

Schedules 1 to 12 form Integral part of Financial Statements

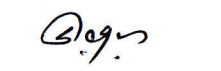
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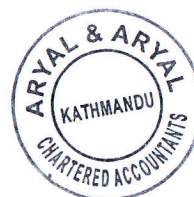

Rupesh Raut
Head, Finance & Operations


Mukti Nath Subedi
Chief Operating Officer


Sandeep Karki
Chief Executive Officer

As per our attached report
of even date


Sudhan Regmi, FCA
Proprietor




Varun Kumar Todi
Director


Suresh Raj Maharjan
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Siddhartha Investment Growth Scheme 2
Fund Manager & Depository: Siddhartha Capital Limited

Statement of Cash Flows
For the year ended Ashad 32, 2083 (July 16, 2026)

Particulars	Year ended Ashad 32, 2083 (July 16, 2026) NPR	Year ended Ashad 32, 2082 (July 16, 2025) NPR
Operating Activities		
Net Profit for the year	43,396,620	252,747,945
Adjustment for Non-cash & Non-Operating Items:		
Add: Loss / (Gain) on Financial Assets at FVTPL	49,659,345	(139,400,130)
Less: Interest Income from Financial Asset at Amortized Cost	4,464,430	5,776,052
Cash Flows before Changes in Working Capital	88,591,536	107,571,763
(Increase)/Decrease in Current Assets & Securities	243,851,617	(174,131,002)
Increase/(Decrease) in Current Liabilities	(9,595,364)	10,375,425
A. Cash Flows From Operating Activities	322,847,788	(56,183,814)
Investing Activities		
1. (Increase)/Decrease in Investments	10,005,885	8,200,643
2. Interest Received from Financial Assets at Amortized Cost	4,464,430	5,776,052
B. Cash Flows From Investing Activities	14,470,315	13,976,694
Financing Activities		
1. Increase/(Decrease) in Unit Holder's Capital	-	-
2. Dividend Paid	(240,000,000)	-
C. Cash Flows from Financing Activities	(240,000,000)	-
D. Income/Expenses from changes in exchange rate on Cash and Bank Balances	-	-
E. Net Cash Flow For The Year from all activities (A+B+C+D)	97,318,103	(42,207,119)
F. Opening Cash and Bank Balance	61,897,668	104,104,787
G. Closing Cash and Bank Balance	159,215,771	61,897,668

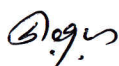
On Behalf of Siddhartha Capital Limited
(Fund Management Company)

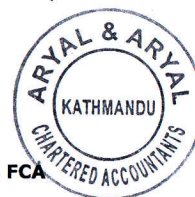

Rupesh Raut
Head, Finance & Operations

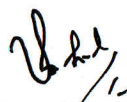

Mukti Nath Subedi
Chief Operating Officer


Sandeep Karki
Chief Executive Officer

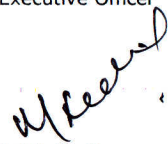
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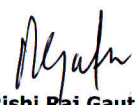

Sudhan Regmi, FCA
Proprietor
Aryal & Aryal
Chartered Accountants

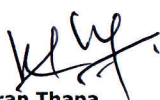



Varun Kumar Todi
Director


Suresh Raj Maharjan
Director


Mohit Kedia
Chairman


Rishi Raj Gautam
Independent Director


Kiran Thapa
Independent Director



Date: August 17, 2026
Place: Kathmandu, Nepal

Siddhartha Mutual Fund
(A Mutual Fund Registered by Siddhartha Bank Limited under Mutual Fund Regulations, 2010)

Siddhartha Investment Growth Scheme 2
Fund Manager & Depository: Siddhartha Capital Limited

Statement of Change in Unit Holder's Equity
For the year ended Ashad 32, 2083 (July 16, 2026)

Particulars	Unit Holder's Capital NPR	Realized Profit NPR	Unrealized Profit NPR	Total NPR
Balance as on Shrawan 1, 2081 (July 16, 2024)	1,200,000,000	131,009,094	(84,682,575)	1,246,326,519
Adjustments				
Adjusted balance as on Shrawan 1, 2081 (July 16, 2024)	1,200,000,000	131,009,094	(84,682,575)	1,246,326,519
Net Profit (Loss) during the year	-	113,347,815	139,400,130	252,747,945
Issue of Unit Capital	-	-	-	-
Amount transferred to General Reserve	-	-	-	-
Dividend Paid of Last Year	-	-	-	-
Capital Reserve Fund	-	-	-	-
Balance as at Ashad 32, 2082 (July 16, 2025)	1,200,000,000	244,356,909	54,717,555	1,499,074,464
Adjustments				
Adjusted balance as on Shrawan 1, 2082 (July 16, 2025)	1,200,000,000	244,356,909	54,717,555	1,499,074,464
Net Profit (Loss) during the year	1,200,000,000	244,356,909	54,717,555	1,499,074,465
Issue of Unit Capital	-	93,055,965	(49,659,345)	43,396,620
Amount transferred to General Reserve	-	-	-	-
Dividend Paid of Last Year	-	-	-	-
Capital Reserve Fund	-	(240,000,000)	-	(240,000,000)
Balance as at Ashad 32, 2083 (July 16, 2026)	1,200,000,000	97,412,874	5,058,211	1,302,471,085

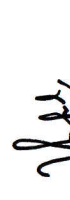
On Behalf of Siddhartha Capital Limited
(Fund Management Company)

As per our attached report
of even date


Rupesh Raut
Head, Finance & Operations


Mukti Nath Subedi
Chief Operating Officer

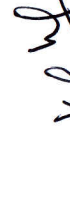

Sandeep Karki
Chief Executive Officer

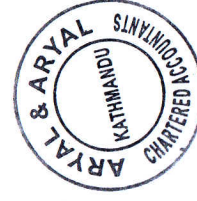

Varun Kumar Todi
Director

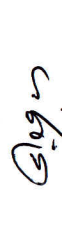

Suresh Raj Maharjan
Director


Mohit Kedia
Chairman


Rishi Raj Gautam
Independent Director


Kiran Thapa
Independent Director




Sudhan Regmi, FCA
Proprietor
Aryal & Aryal
Chartered Accountants



Date: August 17, 2026
Place: Kathmandu, Nepal

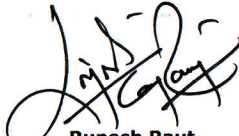
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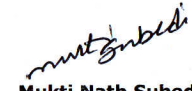
Siddhartha Investment Growth Scheme 2
Fund Manager & Depository: Siddhartha Capital Limited

Statement of Other Comprehensive Income
For the year ended Ashad 32, 2083 (July 16, 2026)

Particular	Year ended Ashad 32, 2083 (July 16, 2026) NPR	Year ended Ashad 32, 2082 (July 16, 2025) NPR
Profit for the year	43,396,620	252,747,945
Gain/(loss) on financial investments measured at FVOCI	-	-
Total other comprehensive income /(loss)	43,396,620	252,747,945

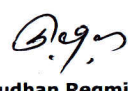
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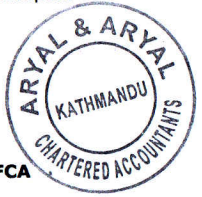

Rupesh Raut
Head, Finance & Operations


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Sandeep Karki
Chief Executive Officer

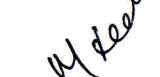
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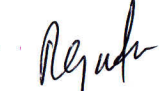

Sudhan Regmi, FCA
Proprietor
Aryal & Aryal
Chartered Accountants




Varun Kumar Todi
Director


Suresh Raj Maharjan
Director


Mohit Kedia
Chairman


Rishi Raj Gautam
Independent Director


Kiran Thapa
Independent Director

Date: August 17, 2026
Place: Kathmandu, Nepal



Siddhartha Mutual Fund
(A Mutual Fund Registered by Siddhartha Bank Limited under Mutual Fund Regulations, 2010)

Siddhartha Investment Growth Scheme -2
Fund Manager & Depository: Siddhartha Capital Limited

Schedules forming part of the Accounts as at Ashad 32, 2083 (July 16, 2026)

Schedule 1: Cash & Cash Equivalents

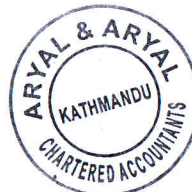
Particulars	As at Ashad 32, 2083 (July 16, 2026) NPR	As at Ashad 32, 2082 (July 16, 2025) NPR
1. Local Licensed Institutions	159,215,771	61,897,668
a. Call Accounts	159,215,771	61,897,668
At Siddhartha Bank Limited	74,588,136	13,690,308
At Himalayan Bank Limited	515,987	509,659
At Shine Resunga Development Bank Limited	2,111	297,096
At Kamana Sewa Bikas Bank Limited	67,493	1,989,663
At Garima Bikas Bank Limited	260,203	259,277
At Nepal Investment Mega Bank Limited	402,887	400,047
At Mahalaxmi Bikas Bank Limited	5,224	1,042,705
At Global Ime Bank Limited	22,892	22,777
At Jyoti Bikash Bank Limited	454,442	5,448,890
At Kumari Bank Limited	40,989	40,785
At Prime Commercial Bank Limited	126,659	126,135
At Citizens Bank International Limited	41,730	41,810
At Shangri-La Development Bank Limited	21,490	21,385
At NIC Aisa Bank Limited	563,037	1,997,675
At Muktinath Bikash Bank Limited	720,815	712,572
At Everest Bank Limited	23,406	14,135
At Reliance Finance Limited	11,122,567	10,975,282
At Manjushree Finance Limited	70,235,702	24,307,468
Total	159,215,771	61,897,668

Schedule 2: Other Financial Assets

Particulars	As at Ashad 32, 2083 (July 16, 2026) NPR	As at Ashad 32, 2082 (July 16, 2025) NPR
Amount receivable from Brokers	2,774,603	-
Dividend Income Receivable	79,517	142,178
IPO/Auction/Right	-	5,000,000
Total	2,854,121	5,142,178




Siddhartha Capital Limited
Investing happiness



Siddhartha Mutual Fund
(A Mutual Fund Registered by Siddhartha Bank Limited under Mutual Fund Regulations, 2010)
Siddhartha Investment Growth Scheme -2
Fund Manager & Depository: Siddhartha Capital Limited

Schedules forming part of the Accounts as at Ashad 32, 2083 (July 16, 2026)

Schedule 3: Financial Assets at Fair Value through Profit/Loss

S. No.	Particulars	Symbol	As at Ashad 32, 2083 (July 16, 2026)				As at Ashad 32, 2082 (July 16, 2025)			
			Stock Qty	Per Unit Price	Value in NPR	Cost in NPR	Stock Qty	Per Unit Price	Value in NPR	Cost in NPR
A.	Listed Equities Investments		5,771,481		1,102,088,828	1,097,163,758	6,548,635		1,357,665,114	1,304,883,850
1	Appollo Hydropower Limited	APHL	587	819.00	480,753	58,700	-	-	-	-
2	Bhujung Hydropower Limited	BJHL	658	681.00	448,098	65,800	-	-	-	-
3	Everest Colour Limited	ECL	494	222.49	109,910	49,400	-	-	-	-
4	Global IME Bank Limited	GBIME	111,964	240.00	26,871,360	26,064,990	-	-	-	-
5	Global IME Sammunat Yojana -2	GBIMESY2	500,000	9.98	4,990,000	5,000,000	-	-	-	-
6	Hotel Forest Inn Limited	HFIN	2,632	644.00	1,695,008	263,200	-	-	-	-
7	Kalanga Hydro Limited	KAHL	2,187	473.00	1,034,451	218,700	-	-	-	-
8	Kalinchock Hydropower Limited	KHPL	515	916.00	471,740	51,500	-	-	-	-
9	Mandu Hydropower Limited	MANDU	36,547	800.00	29,237,600	30,148,275	-	-	-	-
10	Nabil Bank Limited	NABIL	60,000	534.90	32,094,000	32,132,342	-	-	-	-
11	Nepal Life Samridhi Lagani Yojana	NSY	1,000,000	9.75	9,750,000	10,000,000	-	-	-	-
12	Palpa Cement Industries Limited	PCIL	3,516	595.00	2,092,020	351,600	-	-	-	-
13	Ridge Line Energy Limited	RLEL	936	713.00	667,368	93,600	-	-	-	-
14	Reliance Spinning Mills Limited	RSML	19,716	2,970.00	58,556,520	17,980,992	-	-	-	-
15	Sanigad Hydro Limited	SGHL	3,563	462.00	1,646,106	356,300	-	-	-	-
16	Sikles Hydropower Limited	SIKLES	32,135	554.90	17,831,712	19,154,300	-	-	-	-
17	Shikhar power Development Limited	SIPD	1,388	558.90	775,753	138,800	-	-	-	-
18	Suryakunda Hydro Electric Limited	SKHEL	453	874.30	396,058	45,300	-	-	-	-
19	Super Khudi Hydropower Limited	SKHL	1,019	818.00	833,542	101,900	-	-	-	-
20	Snow Rivers Limited	SNORL	586	779.00	456,494	58,600	-	-	-	-
21	Solu Hydropower Limited	SOHL	6,579	509.00	3,348,711	657,900	-	-	-	-
22	Sopan Pharmaceuticals Limited	SOPL	2,681	780.00	2,091,180	268,100	-	-	-	-
23	Sanima Middle Tamor Hydropower Limited	TAMOR	93,574	437.00	40,891,838	43,073,770	-	-	-	-
24	Taksar Pikhua Khola Hydropower Limited	TPKHL	1,894	494.80	937,151	189,400	-	-	-	-
25	Yambaling Hydropower Limited	YMHL	1,381	556.00	767,836	138,100	-	-	-	-
26	Asian Life Insurance Co. Limited	ALICL	2,690	419.00	1,127,110	1,245,230	-	-	23,109,452	22,128,875
27	Api Power Company Ltd.	API	203,928	320.70	65,399,710	61,309,156	-	-	59,199,980	57,680,519
28	Chhimek Laghubitta Bittiya Sanstha Limited	CBBL	7,938	922.00	7,318,836	6,433,376	-	-	28,453,191	24,210,364
29	Chandragiri Hills Limited	CGH	21,525	755.20	16,255,680	20,145,127	-	-	23,900,500	26,480,042
30	Everest Bank Limited	EBL	137,181	695.00	95,340,795	75,012,504	-	-	109,460,197	87,310,735
31	Forward Microfinance Laghubitta Bittiya Sanstha Limited	FORWARD	24,951	979.00	24,427,029	33,954,947	-	-	34,870,821	36,799,836



Siddhartha Capital Limited
Investing happiness

Schedule 3: Financial Assets at Fair Value through Profit/Loss

S. No.	Particulars	Symbol	As at Ashad 32, 2083 (July 16, 2026)			As at Ashad 32, 2082 (July 16, 2025)				
			Stock Qty	Per Unit Price	Value in NPR	Cost in NPR	Stock Qty	Per Unit Price	Value in NPR	Cost in NPR
32	Garima Bikas Bank Limited	GBBL	36,870	403.80	14,888,106	14,722,444	46,070	428.36	19,734,545	18,873,200
33	Green Ventures Limited	GVL	81,908	480.00	39,315,840	44,189,989	26,283	482.30	12,676,291	11,981,079
34	Himalayan 80-20	H8020	1,000,000	11.65	11,650,000	11,012,596	1,000,000	11.60	11,600,000	11,012,596
35	Himalayan Distillery Limited	HDL	11,911	1,140.00	13,578,540	15,011,632	1,518	1,236.54	1,877,068	3,045,697
36	Himalayan Life Insurance Limited	HLI	33,000	321.80	10,619,400	16,525,382	57,841	407.11	23,547,650	28,964,988
37	Laxmi Sunrise Bank Limited	LSL	138,992	215.10	29,897,179	32,497,292	128,356	238.74	30,643,711	33,011,669
38	Mountain Energy Nepal Limited	MEN	118,000	568.90	67,130,200	62,192,768	85,169	639.19	54,439,173	49,661,942
39	NIC ASIA Growth Fund-2	NICGF2	750,000	9.49	7,117,500	7,500,000	750,000	9.52	7,140,000	7,500,000
40	Nepal Life Insurance Co. Ltd.	NLIC	43,582	749.80	32,677,784	45,080,487	43,582	772.97	33,687,579	47,334,408
41	National Life Insurance Co. Ltd.	NLICL	79,322	579.00	45,927,438	51,567,783	72,639	623.58	45,296,228	49,112,142
42	NMB Bank Limited	NMB	238,963	239.50	57,231,639	68,360,525	224,584	269.72	60,574,796	67,535,658
43	NMB Hybrid Fund L- II	NMBHF2	500,000	10.13	5,065,000	5,000,000	500,000	9.06	4,530,000	5,000,000
44	Nerude Mirmire Laghubitta Bittiya Sanstha Limited	NMLBBL	10,000	534.90	5,349,000	8,695,281	14,339	700.35	10,042,319	12,468,163
45	Nirdhan Uthtan Laghubitta Bittiya Sanstha Limited	NUBL	36,973	635.00	23,477,855	31,112,412	39,822	768.71	30,611,570	35,336,765
46	RSDC Laghubitta Bittiya Sanstha Ltd.	RSDC	9,224	649.80	5,993,755	6,998,210	12,000	701.19	8,414,280	9,190,668
47	Sahas Urja Limited	SAHAS	102,088	636.00	64,927,968	55,756,240	81,313	640.04	52,043,573	44,240,666
48	Sagarmatha Lumbini Insurance Co. Limited	SALICO	55,836	605.00	33,780,780	43,492,797	60,836	726.09	44,172,411	47,387,488
49	Sanima Bank Limited	SANIMA	15,000	350.00	5,250,000	4,437,451	159,342	374.77	59,716,601	46,898,706
50	Sarbottom Cement Limited	SARBTM	54,700	772.00	42,228,400	47,337,440	42,172	865.81	36,512,939	34,245,643
51	Shine Resunga Development Bank Ltd.	SHINE	63,071	415.00	26,174,465	27,958,727	73,234	431.97	31,634,891	33,457,062
52	SHIVAM CEMENTS LTD	SHVM	47,994	621.00	29,804,274	30,760,447	83,413	535.04	44,629,292	53,822,299
53	Siddhartha Premier Insurance Limited	SPIL	57,123	741.00	42,328,143	50,329,233	61,123	840.35	51,364,713	53,853,503
54	Salt Trading Corporation	STC	3,226	5,169.00	16,675,194	17,625,975	3,226	5,290.00	17,065,540	19,297,874
55	Unilever Nepal Limited	UNL	480	47,200.00	22,656,000	14,236,740	490	46,340.00	22,706,600	14,533,339
56	CEDB Holdings Limited	CHDC	-	-	-	-	28,939	2,641.99	76,456,549	56,199,212
57	Crest Micro Life Insurance Limited	CREST	-	-	-	-	1,757	1,364.36	2,397,181	175,700
58	Ghalemd Hydro Limited	GHL	-	-	-	-	53,975	248.81	13,429,520	15,699,593
59	Guardian Micro Life Insurance Limited	GMLI	-	-	-	-	1,875	2,194.29	4,114,294	2,553,858
60	Hydorelectricity Investment and Development Company Ltd Promoter	HIDCLP	-	-	-	-	24,853	210.56	5,233,048	5,236,522
61	ICFC Finance Limited	ICFC	-	-	-	-	8,002	640.57	5,125,841	4,862,324
62	Kalika power Company Ltd	KPCL	-	-	-	-	25,218	542.62	13,683,791	14,955,574
63	Kamana Sewa Bikas Bank Limited	KSBBL	-	-	-	-	84,414	500.69	42,265,246	35,922,833
64	MBL Equity Fund	MBLEF	-	-	-	-	500,000	9.93	4,965,000	5,000,000
65	Mero Microfinance Bittiya Sanstha Ltd.	MERO	-	-	-	-	9,994	846.53	8,460,221	7,635,840
66	Mithila Laghubitta Bittiya Sanstha Limited	MLBBL	-	-	-	-	1,404	1,598.84	2,244,771	2,182,427
67	Muktinath Bikas Bank Ltd.	MNBBL	-	-	-	-	3,195	405.92	1,296,914	1,293,904
68	Neco Insurance Limited	NIL	-	-	-	-	39,174	710.36	27,827,643	26,796,851
69	National Laghubitta Bittiya Sanstha Limited	NMFB	-	-	-	-	15,517	1,400.05	21,724,576	20,690,605
70	Nepal Micro Insurance Company Limited	NMIC	-	-	-	-	1,758	1,559.40	2,741,425	175,800



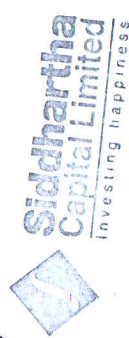
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Schedule 3: Financial Assets at Fair Value through Profit/Loss

S. No.	Particulars	Symbol	As at Ashad 32, 2083 (July 16, 2026)			As at Ashad 32, 2082 (July 16, 2025)				
			Stock Qty	Per Unit Price	Value in NPR	Cost in NPR	Stock Qty	Per Unit Price	Value in NPR	Cost in NPR
71	Nepal Reinsurance Company Limited	NRIC	-	-	-	-	4,000	1,260.11	5,040,440	5,260,218
72	Om Megashree Pharmaceuticals Limited	OMPL	-	-	-	-	1,406	1,517.76	2,133,971	140,600
73	Prabhu Smart Fund	PRSF	-	-	-	-	500,000	11.47	5,735,000	5,000,000
74	Pure Energy Limited	PURE	-	-	-	-	1,125	871.71	980,674	112,500
75	Nepal SBI Bank Limited	SBI	-	-	-	-	50,669	439.98	22,293,347	19,299,862
76	Standard Chartered Bank Limited	SCB	-	-	-	-	75,225	656.10	49,355,123	44,032,569
77	Sunrise Focused Equity Fund	SFEF	-	-	-	-	1,000,000	10.04	10,040,000	10,000,000
78	Sana Kisan Bikas Laghubitta Bittiya Sanstha Limited	SKBBL	-	-	-	-	15,171	884.41	13,417,384	9,825,828
79	Sun Nepal Life Insurance Company Limited	SNLI	-	-	-	-	37,209	490.64	18,256,224	14,983,791
80	Terhathum Power Company Limited	TPC	-	-	-	-	11,780	385.89	4,545,784	4,195,712
81	Trade Tower Limited	TTL	-	-	-	-	2,758	88.92	245,241	275,800
B.	IPO Equities Investments		752,256		8,284,033	7,725,600	524,847		23,554,234	23,494,092
1	Beni Hydropower Project Limited		650	354.46	230,399	65,000	-	-	-	-
2	Mount Everest Power Development Ltd		1,075	389.50	418,713	107,500	-	-	-	-
3	Sanima Equity Fund II		500,000	10.00	5,000,000	5,000,000	-	-	-	-
4	Reliable Samriddhi Yojana-2		250,000	10.00	2,500,000	2,500,000	-	-	-	-
5	Sarvottam Paints Industries Limited		531	254.09	134,922	53,100	-	-	-	-
6	Reliance Spinning Mills Limited		-	-	-	-	19,716	912	17,980,992	17,980,992
7	Sanvi Energy Limited		-	-	-	-	2,021	122	247,269	202,100
8	Prabhu Systematic Investment Scheme		-	-	-	-	500,000	10	5,000,000	5,000,000
9	Bikash Hydropower Company Limited		-	-	-	-	2,463	110	271,521	246,300
10	Him Star Urja Company Limited		-	-	-	-	647	84	54,452	64,700
C.	Unlisted Equities Investments		502,485		8,500,528	8,925,821	60,953		28,876,318	27,000,169
1	Nepal Life Insurance Co. Ltd.	NLIC	2,179	749.80	1,633,814	2,253,921	-	-	-	-
2	Salt Trading Corporation	STC	306	5,169.00	1,581,714	1,671,900	-	-	-	-
3	Prabhu Systematic Investment Scheme	PSIS	500,000	10.57	5,285,000	5,000,000	-	-	-	-
4	Neco Insurance Limited	NIL	-	-	-	-	2,742	710	1,947,807	1,875,656
5	Terhathum Power Company Limited	TPC	-	-	-	-	21,880	386	8,443,273	7,793,054
6	Asian Life Insurance Co. Limited	ALICL	-	-	-	-	22,922	498	11,423,408	10,938,692
7	National Life Insurance Co. Ltd.	NLICL	-	-	-	-	3,632	624	2,264,843	2,455,641
8	Sun Nepal Life Insurance Company Limited	SNLI	-	-	-	-	9,777	491	4,796,987	3,937,126
Grand Total			7,026,222		1,118,673,389	1,113,815,179	7,134,435		1,410,095,666	1,355,378,111



Siddhartha Mutual Fund
(A Mutual Fund Registered by Siddhartha Bank Limited under Mutual Fund Regulations, 2010)

Siddhartha Investment Growth Scheme 2
Fund Manager & Depository: Siddhartha Capital Limited

Schedules forming part of the Accounts as at Ashad 32, 2083 (July 16, 2026)

Schedule 4: Financial Assets at Amortized Cost

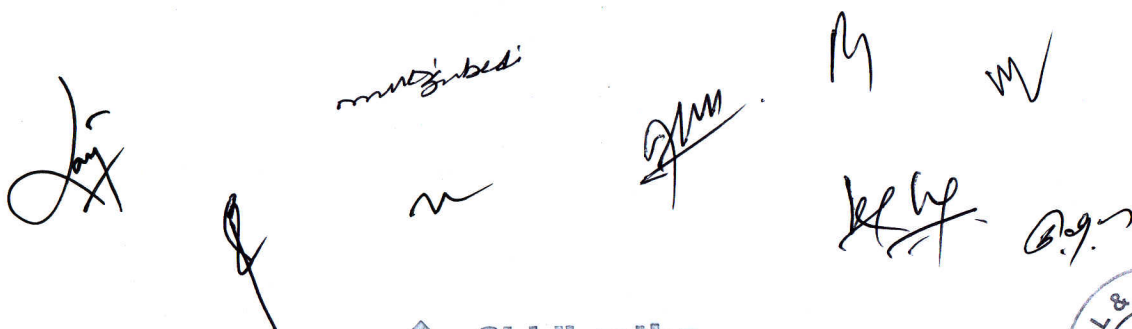
Particulars	As at Ashad 32, 2083 (July 16, 2026) NPR	As at Ashad 32, 2082 (July 16, 2025) NPR
Investment in Fixed Deposits	-	10,000,000
Investment in Bond and Debenture		
Bond and Debenture	26,492,000	26,492,000
Interest Income Receivable	1,227,838	1,234,350
Total	27,719,838	37,726,350

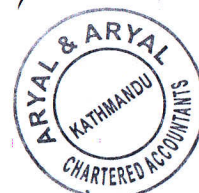
Schedule 4(A): Investment in Fixed Deposits

Particulars	As at Ashad 32, 2083 (July 16, 2026) NPR	As at Ashad 32, 2082 (July 16, 2025) NPR
Manjushree Finance Limited	-	10,000,000
Total	-	10,000,000

Schedule 4(B): Investment in Bond & Debenture

Particulars	As at Ashad 32, 2083 (July 16, 2026) NPR	As at Ashad 32, 2082 (July 16, 2025) NPR
10.25% MBL Debenture 2085	5,000,000	5,000,000
10.25% Prabhu Bank Debenture 2086	2,500,000	2,500,000
10% Laxmi Bank Debenture 2086	2,500,000	2,500,000
10.25% KBL Debenture 2086	5,000,000	5,000,000
10.35% ADBL Debenture 2083	1,307,000	1,307,000
12% ICFC Debenture 2083	400,000	400,000
12% Goodwill Debenture 2083	833,000	833,000
10% Nepal SBI Bank Debenture 2086	500,000	500,000
10.25% Citizen Debenture 2086	952,000	952,000
10% Prime Debenture 2088	5,000,000	5,000,000
10.5% Himalayan Bank Ltd Bond 2086	2,500,000	2,500,000
Total	26,492,000	26,492,000





Siddhartha Mutual Fund
(A Mutual Fund Registered by Siddhartha Bank Limited under Mutual Fund Regulations, 2010)

Siddhartha Investment Growth Scheme 2
Fund Manager & Depository: Siddhartha Capital Limited

Schedules forming part of the Accounts as at Ashad 32, 2083 (July 16, 2026)

Schedule 5: Current Liabilities

Particulars	As at Ashad 32, 2083 (July 16, 2026) NPR	As at Ashad 32, 2082 (July 16, 2025) NPR
TDS Payables	111,631	117,947
Fund Management, Depository and Supervisor fee Payable	5,927,404	6,277,806
Audit Fee Payable	113,000	83,625
Provision for Reporting Expenses	35,000	35,000
Provision for Audit Expenses	5,000	5,000
Payable to Broker	-	9,268,021
Total	6,192,034	15,787,398

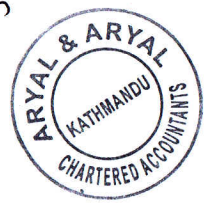
Schedule 6: Unit Holder's Capital

Particulars	As at Ashad 32, 2083 (July 16, 2026) NPR	As at Ashad 32, 2082 (July 16, 2025) NPR
Seed Capital Investment of Siddhartha Bank Limited	210,000,000	210,000,000
Seed Capital Investment of Siddhartha Capital Limited	43,359,700	43,359,700
Capital Raised from General Public	946,640,300	946,640,300
Total	1,200,000,000	1,200,000,000

Schedule 7: Reserves and Surplus

Particulars	As at Ashad 32, 2083 (July 16, 2026) NPR	As at Ashad 32, 2082 (July 16, 2025) NPR
1. Accumulated Profit/ Loss		
1.1. Realised Profit / (Loss)	97,412,874	244,356,909
1.2. Unrealised Profit / (Loss)	5,058,211	54,717,555
Total	102,471,085	299,074,464



Siddhartha Mutual Fund
(A Mutual Fund Registered by Siddhartha Bank Limited under Mutual Fund Regulations, 2010)

Siddhartha Investment Growth Scheme 2
Fund Manager & Depository: Siddhartha Capital Limited

Schedules forming part of the Accounts as at Ashad 32, 2083 (July 16, 2026)

Schedule 8: Realised Income

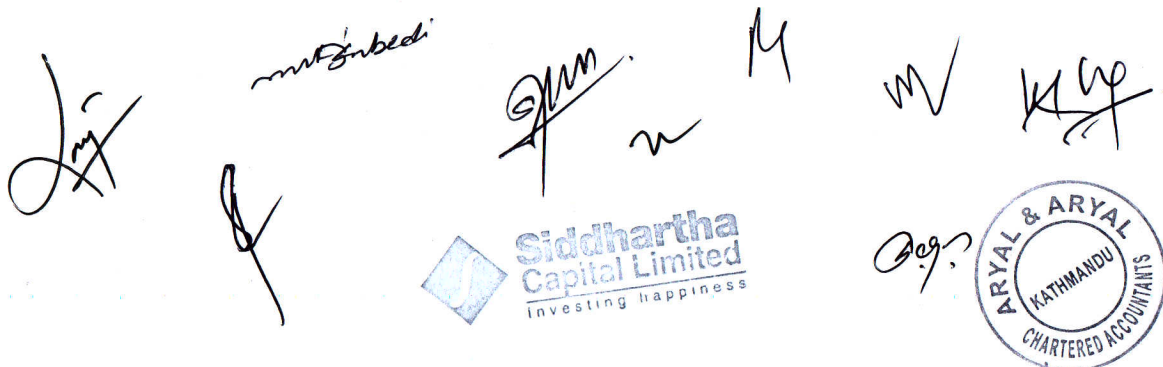
Particulars	As at Ashad 32, 2083 (July 16, 2026) NPR	As at Ashad 32, 2082 (July 16, 2025) NPR
Interest Income from Financial Asset at Amortized Cost	4,464,430	5,776,052
Dividend Income from Financial Assets at Fair value through Profit or Loss	13,146,673	12,442,303
Net Gain/Loss from Financial Assets at Fair value through Profit or Loss	99,024,081	122,777,052
Other Income	10,082	163,274
Total	116,645,266	141,158,681

Schedule 9: Annual Regular Expenses

Particulars	As at Ashad 32, 2083 (July 16, 2026) NPR	As at Ashad 32, 2082 (July 16, 2025) NPR
NEPSE Listing Fee	50,000	50,000
CDS Annual Fee	150,000	150,000
Credit Rating Expenses	79,642	92,815
AMC of Software-CDS	20,000	20,000
AMC of Software-NEPSE (QII)	5,000	5,000
Reporting Expenses	185,087	299,235
Scheme Audit Fee	113,000	84,750
Fund Management Fee	19,548,581	21,473,464
Fund Depository Fee	2,606,478	2,863,129
Fund Supervisor Fee	659,233	650,054
Other Expenses	8,204	1,973,259
PCS Software Annual Charge	164,076	149,160
Total	23,589,301	27,810,866

Schedule 10: Net Unrealised Gain/(Loss) from Financial Assets Held at Fair Value through Profit or Loss (FVTPL)

Particulars	As at Ashad 32, 2083 (July 16, 2026) NPR	As at Ashad 32, 2082 (July 16, 2025) NPR
1. Secondary Market Value Appreciation	4,925,070	52,781,264
Less: Unrealised income upto previous year	54,717,555	(84,682,575)
2. IPO/Right/Bonus Value Appreciation	133,141	1,936,291
Total	(49,659,345)	139,400,130






Siddhartha Mutual Fund

(A Mutual Fund Registered by Siddhartha Bank Limited under Mutual Fund Regulations, 2010)

Siddhartha Investment Growth Scheme 2
Fund Manager & Depository: - Siddhartha Capital Limited

As at Ashadh 32, 2083 (16 July 2026)

Schedule: 11 - Significant Accounting Policies

1. Overview of the Scheme:

Siddhartha Mutual Fund is the first Mutual Fund in Nepal registered with Securities Board of Nepal (SEBON) as per Mutual Fund Regulations, 2010. Siddhartha Bank Limited (SBL) is the Fund Sponsor and Siddhartha Capital Limited (SCL) a subsidiary of SBL is the Fund Manager and Depository of the fund.

As the fund manager and depository, SCL shall ensure management of the schemes operated under Siddhartha Mutual Fund along with its depository functions. The registered office of SCL is situated at Narayanchaur Naxal, Kathmandu.

There are five Fund Supervisors of Siddhartha Mutual Fund as per Mutual Fund Regulations, 2010 and they are:

1. Dr. Ram Krishna Timilsina
2. Mr. Radha Krishna Poudel
3. Mr. Pratap Prasad Pradhan
4. Mr. Bishow Prakash Pandit
5. Mr. Surya Prasad Bhandari

The fourth scheme of the Siddhartha Mutual Fund, Siddhartha Investment Growth Scheme-2 (SIGS-2) started its operation from Bhadra 09, 2076 (August 26, 2019). SIGS-2 is a close end scheme with base fund size of NPR. 1,200 million and maturity period of 10 years (i.e. Bhadra 09, 2076 – Bhadra 08, 2086). It was listed in NEPSE on Aswin 08, 2076 (September 25, 2019) with stock symbol "SIGS2".

SIGS-2 has obtained Permanent Account Number (PAN) from Inland Revenue office on Poush 2, 2078 and its PAN number is 201386907.

2. Basis of Preparation of Financial Statement and Significant Accounting Policies:

The Financial Statements are in conformity with Nepal Financial Reporting Standards (NFRS) i.e. the financial statements are prepared on the basis of fair value measurement of assets and liabilities. The management has prepared the financial statement on an orderly realization basis.

The principle accounting policies adopted in preparation of financial statements which have been consistently applied unless otherwise stated.

2.1 Statement of Compliance:

The Financial Statements have been prepared in accordance with Nepal Financial Reporting Standards comprising of Nepal Financial Reporting Standards and Nepal Accounting Standards (hereafter referred as NFRS), laid down by the Institute of Chartered Accountants of Nepal to the extent applicable and in compliance with the requirements of Securities Act, 2063; Mutual Fund Regulations, 2010; and Mutual Fund Guidelines, 2012.

2.2 Reporting Period

The Scheme follows the Nepalese financial year based on the Nepalese calendar. The corresponding dates for the English calendar are as follows:

Relevant Financial Statement	Nepalese Calendar Date/Period	English Calendar Date/Period
Statement of Financial Position	32 nd Ashad, 2083	16 th July, 2026
Statement of Profit or Loss	1 st Shrawan, 2082 to 32 nd Ashad, 2083	17 th July, 2025 to 16 th July 2026
Statement of Cash flows	32 nd Ashad, 2083	16 th July, 2026
Statement of changes in Equity	1 st Shrawan, 2082 to 32 nd Ashad, 2083	17 th July, 2025 to 16 th July 2026

2.3 Responsibility for Financial Statements

The Board of Directors of Siddhartha Capital Limited is responsible for the preparation and presentation of Financial Statements of Siddhartha Investment Growth Scheme 2 (SIGS 2) being the Fund Manager of the SIGS2 as per the provisions of the Mutual Fund Regulation, 2067.

2.4 Approval of Financial Statements by Directors

The Scheme's Financial Statements for FY 2082/83 were approved by the Board of Directors (BoDs) of SCL, being the Fund Management and Depository Company for the Siddhartha Mutual Fund by BOD meeting dated August 17, 2026 (Bhadra 1, 2083).

2.5 Functional and Presentation Currency:

The Financial Statements are presented in Nepalese Rupees (NPR) and is the functional and presentation currency of the fund. Financial information presented in financial statement are rounded to the nearest Nepalese Rupees and has been shown in actual figure, unless otherwise stated.

2.6 Reporting Pronouncements:

The company has, for the preparation of financial statements, adopted the Nepal Financial Reporting Standards (NFRS) pronounced by ASB as effective on July 16, 2025. NFRS conform, in all material respect, to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

2.7 Net Asset Value (NAV):

The Net Asset Value (NAV) calculation is done on the basis of market value of the total investment plus other current assets and deducting the same by the current liabilities in compliance with Mutual Fund Regulations and Guidelines. The Net Asset Value is calculated on per unit basis in weekly and monthly periods and the same is published on SCL website: www.siddharthacapital.com. Net Assets value (NAV) includes unit holder's fund, realized gain and unrealized gain. The total value of NAV is reflected as Equity in statement of financial position.

2.8 Cash & Cash Equivalents:

Cash and Cash Equivalents include cash in hand, balances with banks and money at call and at short notice. These are subject to insignificant risk of changes in their fair value.

2.9 Financial Instruments:

The Fund's principal financial assets comprise of Assets held at fair value through profit and loss, Assets measured at Amortized cost, other financial assets and cash and cash equivalents. The main purpose of these financial instruments is to generate a return on the investment made by unit holders. The Funds' principal financial liabilities comprise of accrued expenses and other payables which arise directly from its operations.

In accordance with NFRS-9; Financial Instruments: Recognition and Measurement, the Fund's prepaid, advances and receivables are classified as 'Other Financial Assets'. Equity securities are classified as fair value through profit and loss. Debentures and Fixed Deposits are classified as assets measured at amortized cost. The amount attributable to unit holders is classified as equity and payables are designated as 'other financial liabilities' at amortized cost.

a. Classification

i. Financial Assets measured at amortized cost

Held to Maturity Financial Assets are non-derivative financial assets with fixed or determinable payments and fixed maturities which the fund has the intention and ability to hold to maturity. After the initial measurement, held to maturity financial investments are subsequently measured at amortized cost using the effective interest rate, less impairment. The amortization is included in 'realized interest income' in the Statement of Profit or Loss. The losses arising from impairment of such investments are recognized in the Statement of Profit and Loss.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments and fixed maturities that are not quoted on an active market. Receivables mainly represent payment made for applying right shares, dividend receivable from investment and receivable from brokers for sale of shares.

ii. Financial instruments classified at fair value through profit or loss

Financial assets, held for trading are recorded in the statement of financial position at fair value. Changes in fair value are recognized through profit or loss. This classification includes quoted equity securities held for trading. The dividend income from the quoted equity securities is recorded in the profit or loss.

b. Recognition / De-recognition

All financial assets and liabilities are initially recognized on the trade date, i.e. the date on which the fund becomes a party to the contractual provisions of the instrument. This includes 'regular way trade'. Regular way trade means purchases or sales of financial assets that required delivery of assets within the time frame generally established by regulations or convention in the market place.

Investments are derecognized when the rights to receive cash flows from the investments have expired or the Fund has substantially transferred all risks and rewards of ownership.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

Realized gains and realized losses on de-recognition are determined using the weighted average method and are included in the profit or loss in the period in which they arise. The realized gain is the difference between an instrument's weighted average cost and disposal amount.

Cost of purchase of instruments includes transaction cost on such purchases, while disposal value is calculated net of transaction cost involved on such disposal.

c. Measurement

i. Financial Assets measured at amortized cost

Assets are measured initially at fair value plus transaction costs and subsequently amortized using the effective interest rate method, less impairment losses if any. Such assets are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. If evidence of impairment exists, an impairment loss is recognized in profit or loss as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

If in a subsequent period the amount of an impairment loss recognized on a financial asset carried at amortized cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through profit or loss.

ii. Financial assets and liabilities held at fair value through profit or loss

At initial recognition, the Fund measures a financial asset at its fair value including transaction costs of those financial assets.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of profit and loss within net gains/(losses) on financial instruments held at fair value through profit or loss in the period in which they arise.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets and liabilities traded in active markets is subsequently based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. The quoted market price used for financial assets held by the Fund is the closing price.

The fair value of financial assets and liabilities that are not traded in an active market are determined using valuation techniques.

Further details on how the fair values of financial instruments are determined are disclosed in point 6 of Schedule 12.

d. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.10 Realized Income:

Realized income includes income from interest from bank deposits with bank and financial institutions and capital gain and dividend income from Investments made on securities and other incomes.

- Dividend income is recognized as realized when right to receive is established.
- Profit or loss on sale of investments is recognized on trade date. The cost of investments sold is determined on "weighted average cost basis".
- Interest on interest bearing and other fixed income investments is recognized as realized as and when such interest income becomes accrued as it is earned.
- Other income of miscellaneous nature is accounted for when it is probable that the economic benefits associated with the transactions will flow to the entity.

2.11 Unrealized Income:

Unrealized incomes are the income that are booked based upon the valuation gain from the investments made on securities, both on secondary market as well as on primary market. Unrealized appreciation/depreciation, on marking the investments is recognized on the balance sheet date and accordingly reckoned for determination of net surplus/deficit for the period.

Further, on purchase of fixed income investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.

These incomes are directly credited to the Unrealized Profit/ (Loss) as a fund which shall not be used for return distribution or other related purposes.

2.12 Expenses:

All expenses are accounted on an accrual basis.

2.13 Valuation of Investments:

The investments are stated as per the provisions stated on the Mutual Fund regulations and guidelines and valuation policy set out by Siddhartha Mutual Fund Investment Policy, 2022. Accordingly, investments have been valued as follows:

- Investments are accounted for on trade date and off-market transactions including acquisitions through private placement/ private treaty are accounted when scheme obtains the enforceable obligation/right.
- Cost of investments includes brokerage, transaction charges, and any other charge customarily included in the broker's note.
- Equities which are traded frequently shall be valued at closing market price.
- Equities which are not traded frequently i.e. which are listed but not transacted for more than 30 days and trading has been suspended including merger and acquisition shall be valued at 180 days Closing Average Price as provided by NEPSE in its website <https://nepalstock.com.np/trading-average> (in case of changes in page link, the page showing the average price).

In case where 180 days closing average price of ordinary shares is not found in NEPSE, then price shall be taken at lower of cost of acquisition or last traded price as shown in company details of the script in NEPSE.

- In case of Promoter Share, where 180 days closing average price is not found in NEPSE, then price shall be taken at lower of cost of acquisition or last traded price as shown in company details of the script in NEPSE.
- IPO investments are valued as advance for application amount till allotment at exact amount applied for.

After allotment till listing or till trading is not commenced, IPO investments are valued at the value derived using valuation model which is 50% of latest net worth published by the company and 50 % based on the Earning Capitalization, based on the projections of the company by considering latest interest rate of the development bonds published by Public Debt Management Office (PDMO) in its website <https://pdmo.gov.np/category/db-series/> as discount factor (in case of changes in page link, the page showing the latest interest rates of the development bonds).

However, IPO issued at premium and through book building shall be valued at issue price and awarded bid price respectively.

- In case of right shares announcement, if the management has an intention to apply for right shares, investments shall be valued with increase in corresponding units eligible for right share on ex-book close date and subsequent amount shall be booked under provision for the amount to be invested for right shares, until the right is issued. The eligible right share shall be valued based on market price.
- In case of auction shares, investments are valued as advance for application amount till allotment at exact amount applied for. Further, after allotment till listing, the valuation shall be done based on market price.
- In case of bonus shares, valuation shall be done based on market price after the book close date.
- Bonds, Debentures and Treasury Bills shall be valued at cost of acquisition.
- Bank Deposit shall be valued considering all the accrued interest for the period.
- Other market instruments/investments are valued at cost of acquisition.

2.14 Provisions

Provisions are created when there is a present obligation as a result of past events that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

Siddhartha Mutual Fund
(A Mutual Fund Registered by Siddhartha Bank Limited under Mutual Fund Regulations, 2010)
Siddhartha Investment Growth Scheme 2

Fund Manager & Depository: - Siddhartha Capital Limited
As at Ashadh 32, 2083 (16 July 2026)

Schedule: 12 - Notes to the Accounts

1 Unit Holder's Capital:

Unit Ownership Detail	Status	%	Unit Capital
Siddhartha Bank Limited	Fund Sponsor	17.50%	210,000,000
Siddhartha Capital Limited	Fund Manager & Depository	3.61%	43,359,700
General Public		78.89%	946,640,300
Total		100%	1,200,000,000

2 Reserve and Surplus:

Reserve and Surplus comprise of net realized profit of NPR. 97,412,874 (NPR. Ninety-Seven Million Four Hundred Twelve Thousand Eight Hundred Seventy-Four Only) and net unrealized profit of NPR. 5,058,211 (NPR. Five Million Fifty-Eight Thousand Two Hundred Eleven Only).

3 Income Tax:

Section 10 of Income Tax Act 2058 has prescribed Mutual Funds as non-taxable entity. Accordingly, no income tax has been provided. Similarly, no income tax return is required to be submitted according to section 96 of the said act.

4 Compliance relating to Investment Threshold:

Investment threshold of Mutual Fund Regulations, 2010 has been complied throughout the fiscal year and as on Ashad End 2083.

5 Use of Estimates:

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

6 Fair value measurement:

The Fund measures and recognizes the following assets and liabilities at fair value on a recurring basis:

The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period:

NFRS 13 requires disclosure of fair value measurements by level of the following fair value hierarchy;

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

i. Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from NEPSE and are traded frequently.

ii. Fair value in an inactive or unquoted market (level 2 and level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques.

The Fund values its investments in accordance with the accounting policies set out in Point 2.13 of Schedule 11 to the financial statements. For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

7 Fund Management, Depository and Supervisor Fee:

Fund management, Depository and Supervisor Fee are calculated and recognized as per the Mutual Fund Regulations 2010. The fund management and depository fee has been calculated at the rate of 1.50% and 0.2% respectively of Quarterly Average of Weekly Gross NAV. The total fees charged during the period are as follows:

Fund Management Fee	Depository Fee	Supervisor Fee
NPR. 19,548,581	NPR. 2,606,478	NPR. 659,233

8 Reconciliation Status:

The Bank Account has duly been reconciled.

9 Cash and Cash Equivalents:

The detail of bank balance on various financial institutions is listed below:

Particular	Amount
Siddhartha Bank Limited	74,588,136
Himalayan Bank Limited	515,987
Shine Resunga Development Bank Limited	2,111
Kamana Sewa Bikas Bank Limited	67,493
Garima Bikas Bank Limited	260,203
Nepal Investment Mega Bank Limited	402,887
Mahalaxmi Bikas Bank Limited	5,224
Global Ime Bank Limited	22,892
Jyoti Bikash Bank Limited	454,442
Kumari Bank Limited	40,989
Prime Commercial Bank Limited	126,659
Citizens Bank International Limited	41,730
Shangri-La Development Bank Limited	21,490
NIC Aisa Bank Limited	563,037
Muktinath Bikash Bank Limited	720,815
Everest Bank Limited	23,406
Reliance Finance Limited	11,122,567
Manjushree Finance Limited	70,235,702
Total	159,215,771

10 Summary of concentration of Sectoral Investment including IPO, Bonus & Right Share:

Sector	Investment this FY		% Investment for Previous FY
	Amount	%	
Commercial Banks	246,684,973	22.05%	26.26%
Development Banks	41,062,571	3.67%	6.73%
Finance	-	0.00%	0.36%
Hotels And Tourism	17,950,688	1.60%	1.69%
Hydro Power	337,648,040	30.18%	15.53%
Investment	-	0.00%	5.79%
Life Insurance	91,985,546	8.22%	11.98%
Manufacturing And Processing	171,251,766	15.31%	8.92%
Microfinance	66,566,475	5.95%	11.22%
Mutual Fund	51,357,500	4.59%	0.76%
Non-Life Insurance	76,108,923	6.80%	9.08%
Others	-	0.00%	0.44%
Trading	18,256,908	1.63%	1.21%
Total	1,118,873,389	100.00%	100%

11 Net Assets Attributable to Unit Holders (Equity):

Each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund. The Fund considers its net assets attributable to unit holders as capital (which includes unit holder's fund, realized and unrealized gain), notwithstanding net assets attributable to unit holders are classified as a liability. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily changes in Market Price of Shares at Nepal Stock Exchange.

NAV as on reporting date is NPR. 10.85.

12 Distributions:

The distributions to Unit holders are recognized in statement of changes in equity.

13 Related Party Transactions:

Related Parties:

a. Fund Sponsor:

Siddhartha Bank Limited

b. Fund Manager and Depository:

Siddhartha Capital Limited, a subsidiary of the fund sponsor.

c. Fund Supervisors:

- Dr. Ram Krishna Timilsina
- Mr. Bishwo Prakash Pandit
- Mr. Radha Krishna Poudel
- Mr. Pratap Prasad Pradhan
- Mr. Surya Prasad Bhandari

d. Shareholders holding substantial interest in the Fund Management Company:

- Siddhartha Bank Limited

17 Proposed Dividend and Distribution:

The Board of Directors of the fund management company, Siddhartha Capital Limited, held on August 17, 2026 have proposed 8% dividend including tax from the accumulated profit till F/Y 2082/83.

**On Behalf of Siddhartha Capital Limited
(Fund Management Company)**

As per our attached report
of even date



Rupesh Raut
Head, Finance & Operations



Mukti Nath Subedi
Chief Operating Officer



Sandeep Karki
Chief Executive Officer



Sudhan Regmi, FCA
Proprietor
Aryal & Aryal.
Chartered Accountants



Varun Kumar Todi
Director



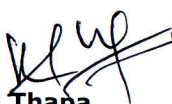
Suresh Raj Maharjan
Director



Mohit Kedia
Chairman



Rishi Raj Gautam
Independent Director



Kiran Thapa
Independent Director

Date: August 17, 2026
Place: Kathmandu, Nepal

