IDLC ASSET MANAGEMENT LIMITED

ASSET MANAGER'S REPORT
June 30, 2018

DATE OF PUBLICATION: August 20, 2018

Mutual Funds are subject to market risks. Investors are highly encouraged to know all the risks associated with investment from the prospectus of respective mutual funds.

To know more and invest, please visit aml.idlc.com or call **16409**.

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IDLC Asset Management Limited
financing happiness

INDEX

GUIDE TO THE FACTSHEET

1 This section describes the objective of the particular fund.

2 The date on which the fund was formed.

3 The date on which the fund was open for the investors after IPO.

4 The name of the asset managers and their tenure of experience. Asset managers are employees of Asset Management Company (AMC) who manage the mutual funds.

5 AUM or Asset under management refers to the market value of all the investments of a mutual fund as on the specific date mentioned.

6 **NAV** is defined as the market value of all assets in the fund less liabilities. This section states the quarter end NAV of the Fund.

7 This is the minimum number of units an investor (individual/institution) has to subscribe.

8 **Turnover ratio** is calculated as Total Turnover divided by Average Fund Size. The higher the ratio, the quicker the Asset Manager reshuffles the portfolio and incurs transaction fees.

Expense ratio is calculated as Total Expenses incurred divided by Average Fund Size. The expenses include management fee, trustee fee, custodian fee, auditor fee, transaction fee and other operational fees. The higher the ratio, the higher the extent of expenses incurred by the fund.

9 **Latest NAV** is the last published NAV before the publication of the fact sheet.

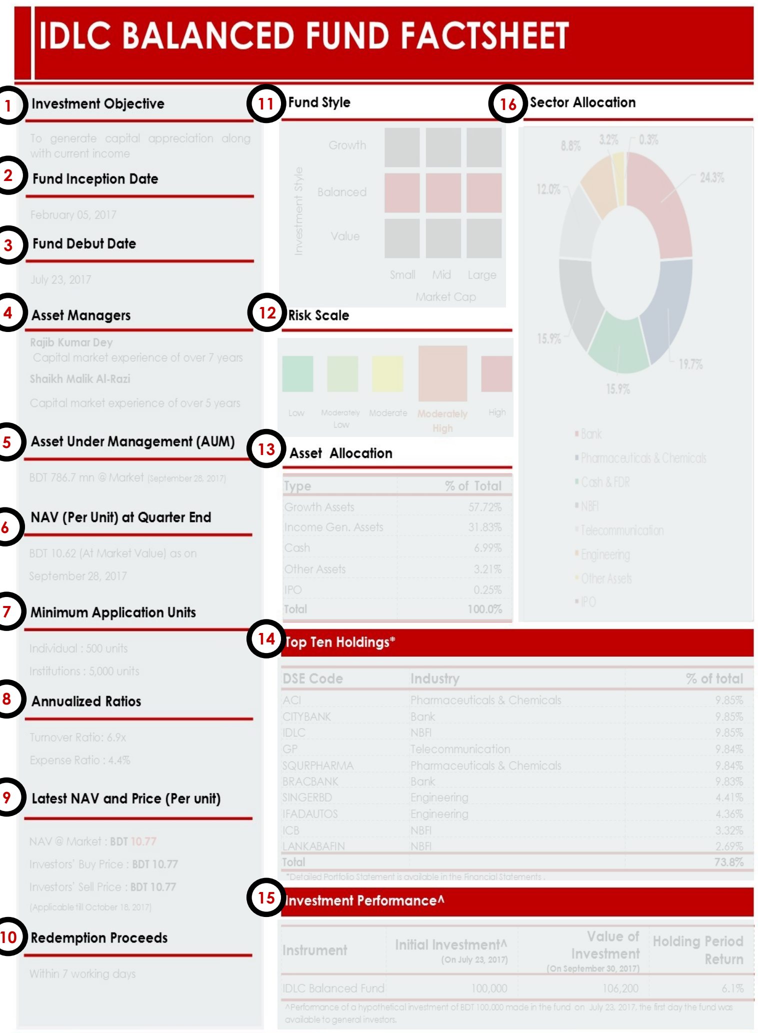
Investors' buy price is the price at which investors can purchase one unit of the fund.

Investors' sell price is the price at which investors can sell one unit of the fund.

IDLC Asset Management Limited does not charge entry/ exit load. Investors can buy and sell units at NAV.

10 This states the maximum number of days that investors need to wait to get their money after sale of units.

11 **Fund style** matrix shows the position of the fund in terms of investment style (Value, Balanced and Growth) and market cap (Small, Mid and Large) of invested securities.



12 **Risk Scale** shows the level of risk an investor has to assume when investing in the fund. Details of risk profile can be found in the respective fund's prospectus.

13 **Asset allocation** shows what portion of the total AUM is invested in each asset class.

14 This section shows the top ten holdings of the fund in terms of percentage of total AUM.

15 **Initial investment** shows an hypothetical amount of investment in the fund at the time of IPO.

Value of investment is the latest total market value of the hypothetical initial investment as of a specified date

Cumulative return is the total return that an investor could have get by the specified date on the hypothetical initial investment.

16 This section shows the sector-wise asset allocation of the total AUM of the Fund.

ASSET MANAGER'S REMARKS

Get the updates on the investments and the performance of your Fund right from your Asset Manager.

By the end of June 2018, IDLC Balanced fund generated 4.6% return since debut, while a Hypothetical Balanced Portfolio~ would have generated a return of negative 1.8%. During the same period, DSEX yielded negative 6.5% and investors earned a weighted average interest rate of 5.2% from Bank Deposits.

During the last quarter, benchmark DSEX slumped by 3.4%, while IDLC Balanced Fund declined by 0.9%. We stick to our previous strategy of maintaining a minimum equity exposure and tilting the portfolio to income generating assets. By the end of the quarter, our allocation in growth assets stood at 38.7% declining from 44.4% of the previous quarter.

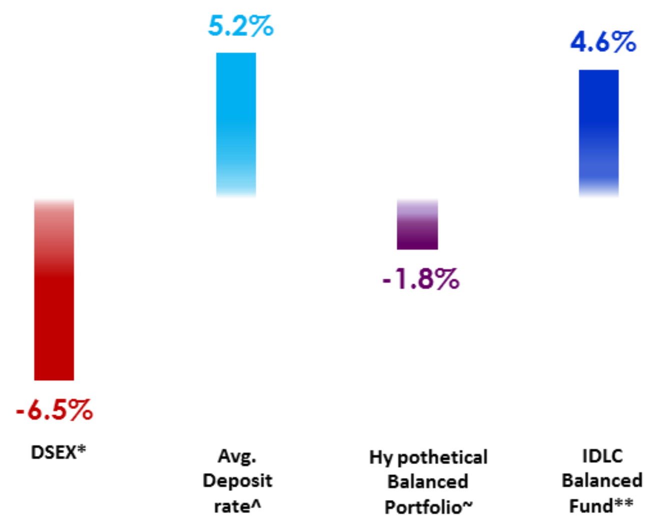
By the end of June quarter, our allocation in Short Term Deposit (STD) and FDR reached 36.0%. Most of our STD and FDR are of short tenure so that it can be quickly liquidated to make opportunistic investments in the equity market. In an effort to adapt to the changing market realities, we are also spreading out the portfolio.

Throughout the quarter, Banks continue to dominate our portfolio with a highest weight of 24.3%. Our conviction in banks lies on the ongoing technological evolution and consequent efficiency improvement in the pioneering banks. Highest weights have been given to those which we believe will rip most benefit from these improvements.

During the last quarter, we have liquidated some of our exposures in Pharmaceuticals and Telecommunication sector to realize capital gain. Nonetheless, we still hold strong conviction in the long-term prospect of these sectors.

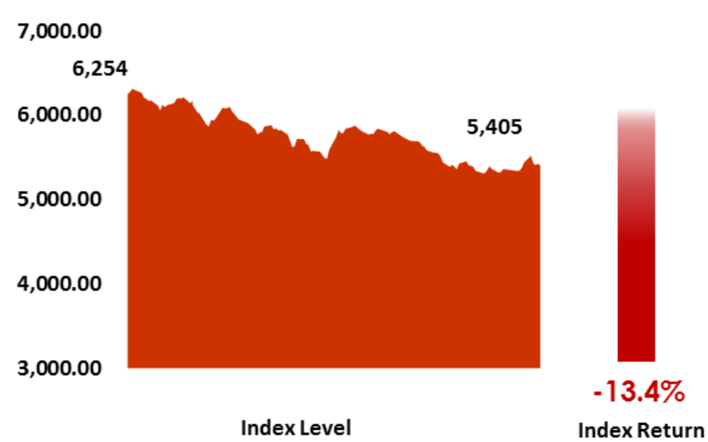
Short term volatility is always a part of equity market, however, these market corrections give opportunities to the value investors to enter the market at a discounted level. We believe, the right investment philosophy will make the difference in the upcoming days.

Return (23rd July 2017-30th June 2018)



*DSEX return is calculated from 23rd July'17 to be more comparable with return of IDLC Balanced Fund.
^The latest Average deposit rate is taken from Bangladesh Bank website and is adjusted for the period that IDLC Balanced Fund was in operation.
~Hypothetical Balanced portfolio shows the return that could have been generated if a fixed allocation of 60% equity and 40% debt securities would have been maintained during the quarter.
**The actual return of IDLC Balanced Fund during the quarters with active fund management.

DSEX (Jan-June 2018)



IDLC BALANCED FUND FACTSHEET

Investment Objective

To generate capital appreciation along with current income

Fund Inception Date

February 05, 2017

Fund Debut Date

July 23, 2017

Asset Managers

Rajib Kumar Dey
Capital market experience of over 7 years

Shaikh Malik Al-Razi

Capital market experience of 6 years

Asset Under Management (AUM)

BDT 825.9 mn @ Market (June 30, 2018)

NAV (Per Unit) at Quarter End

BDT 10.46 (At Market Value) as on

June 30, 2018

Minimum Application Units

Individual : 500 units

Institutions : 5,000 units

Annualized Ratios

Turnover Ratio: 3.4x

Expense Ratio : 3.1%*

*Including amortization of preliminary expenses

Latest NAV and Price (Per unit)

NAV @ Market : **BDT 10.10**

Investors' Buy Price : **BDT 10.10**

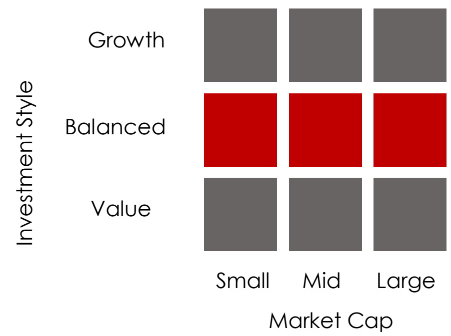
Investors' Sell Price : **BDT 10.10**

(Applicable till August 22, 2018)

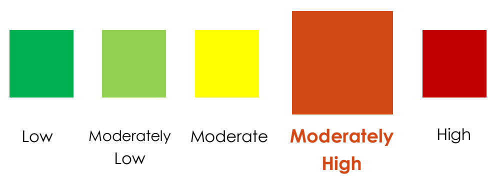
Redemption Proceeds

Within 5 working days

Fund Style



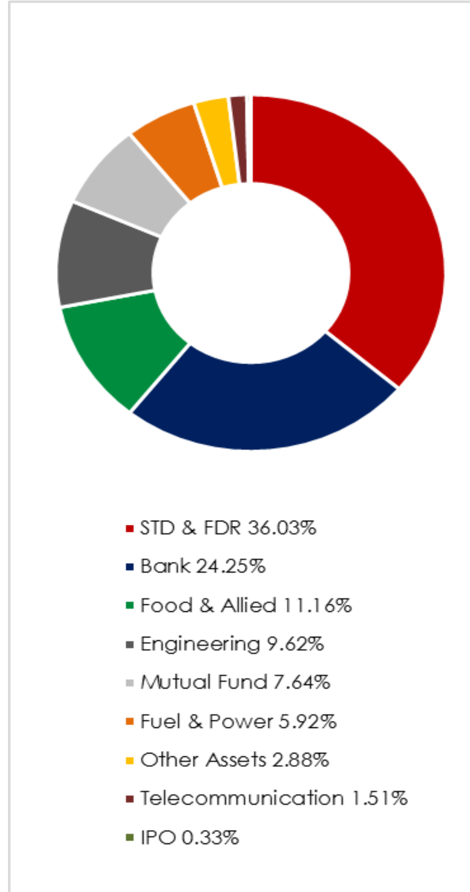
Risk Scale



Asset Allocation

Type	% of Total
Growth	38.07%
Income Generating	33.46%
STD	24.73%
Other Assets	3.41%
IPO	0.33%
Total	100.00%

Sector Allocation



Top Ten Holdings*

DSE Code	Industry	% of total
BATBC	Food & Allied	9.81%
CITYBANK	Bank	9.75%
BRACBANK	Bank	9.73%
IFADAUTOS	Engineering	9.62%
GRAMEENS2	Mutual Fund	7.64%
SUMITPOWER	Fuel & Power	5.78%
DHAKABANK	Bank	4.77%
GP	Telecommunication	1.51%
OLYMPIC	Food & Allied	1.35%
INTRACO	Fuel & Power	0.14%
Total		**60.11%**

*Detailed Portfolio is available in the Portfolio Statement.

Investment Performance^

Instrument	Initial Investment^ (On July 23, 2017)	Value of Investment (On June 30, 2018)	Holding Period Return
IDLC Balanced Fund	100,000	104,600	4.6%

^Performance of a hypothetical investment of BDT 100,000 made in the fund on July 23, 2017, the first day the fund was available to general investors.

DISCLAIMER

Investors should know that the return from mutual funds is not guaranteed. Past performance of the Sponsor and their affiliates / AMC does not guarantee future performance of the funds. Name of the funds does not in any manner indicate either the quality of the funds or their future prospects and returns.

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