IDLC ASSET MANAGEMENT LIMITED

ASSET MANAGER'S REPORT
December 31, 2018

DATE OF PUBLICATION: January 30, 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**.

Head office: South Avenue Tower (5th floor),
Unit no: 502, House: 50, Road: 3,
7 Gulshan Avneue, Dhaka.

IDLC Asset Management Limited
financing happiness

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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 amount/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.

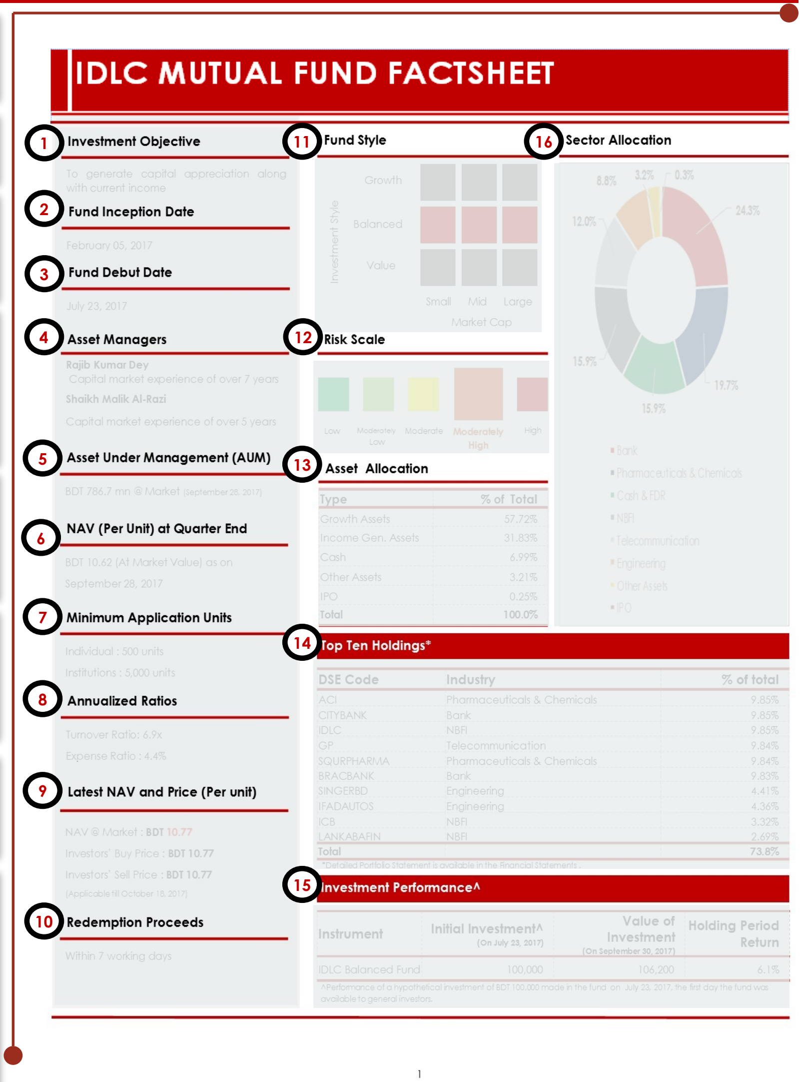
Investors' buy price is the price at which investors can purchase one unit of the fund.

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.



IDLC MUTUAL FUND FACTSHEET

1 Investment Objective

To generate capital appreciation along with current income

2 Fund Inception Date

February 05, 2017

3 Fund Debut Date

July 23, 2017

4 Asset Managers

Rajib Kumar Dey
Capital market experience of over 7 years
Shaikh Malik Al-Razi
Capital market experience of over 5 years

5 Asset Under Management (AUM)

BDT 786.7 mn @ Market (September 28, 2017)

6 NAV (Per Unit) at Quarter End

BDT 10.62 (At Market Value) as on September 28, 2017

7 Minimum Application Units

Individual : 500 units
Institutions : 5,000 units

8 Annualized Ratios

Turnover Ratio: 6.9x
Expense Ratio : 4.4%

9 Latest NAV and Price (Per unit)

NAV @ Market : BDT 10.77
Investors' Buy Price : BDT 10.77
Investors' Sell Price : BDT 10.77
(Applicable till October 18, 2017)

10 Redemption Proceeds

Within 7 working days

11 Fund Style

12 Risk Scale

13 Asset Allocation

Type	% of Total
Growth Assets	57.72%
Income Gen. Assets	31.83%
Cash	6.99%
Other Assets	3.21%
IPO	0.25%
Total	100.0%

16 Sector Allocation

14 Top Ten Holdings*

DSE Code	Industry	% of total
ACI	Pharmaceuticals & Chemicals	9.85%
CITYBANK	Bank	9.85%
IDLC	NBFI	9.85%
GP	Telecommunication	9.84%
SQURPHARMA	Pharmaceuticals & Chemicals	9.84%
BRACBANK	Bank	9.83%
SINGERBD	Engineering	4.41%
IFADAUTOS	Engineering	4.36%
ICB	NBFI	3.32%
LANKABAFIN	NBFI	2.69%
Total		73.8%

*Detailed Portfolio Statement is available in the Financial Statements .

15 Investment Performance^

Instrument	Initial Investment^ (On July 23, 2017)	Value of Investment (On September 30, 2017)	Holding Period Return
IDLC Balanced Fund	100,000	106,200	6.1%

^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.

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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 Graphical presentation of value of investment of a hypothetical amount of BDT 100,000 in respective IDLC mutual funds and value of similar investment in DSEX over time from the respective inception dates of the mutual funds

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.

During June-December 2018, IDLC Balanced Fund posted a return of 0.5%, while a Hypothetical Balanced Portfolio~ would have generated 0.8%. During the same period, DSEX yielded a negative return of 0.4% and investors earned a weighted average interest rate of 2.7% through Bank Deposits. In the meantime, our newly launched IDLC Growth fund yielded 2.6% return since its inception in May, 2018, while the benchmark DSEX declined by 5.2% over the same period.

The broad index DSEX stabilized in the last quarter of 2018 after passing a correction phase during previous quarters. However, market turnover declined significantly in last quarter as investors waited on the sideline before the general election. During this quarter, we rebalanced our portfolio in favor of equity as most of our target scrips were trading at a discount. Accordingly, we maintained 24.11% and 37.35% exposure in income generating assets in Balanced fund and Growth fund, respectively. Meanwhile, our exposure in growth assets remained at 48.43% and 44.89% for Balanced fund and Growth fund, respectively.

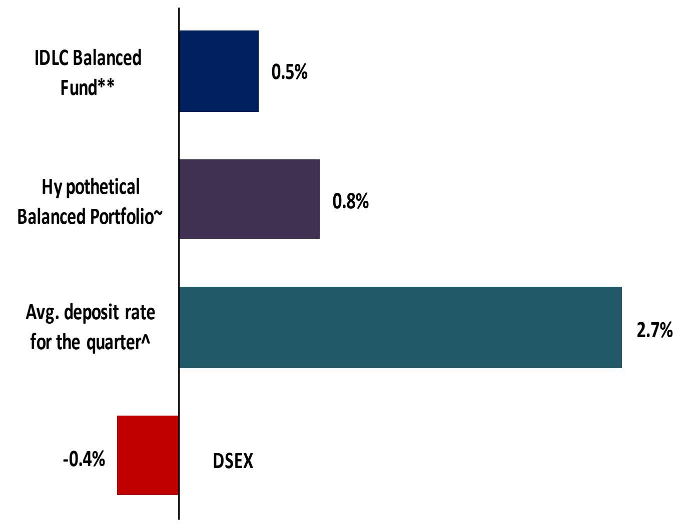
Our highest exposure rests with Engineering which is 19.24% and 19.40% for IDLC Balanced Fund and IDLC Growth Fund respectively.

Bank remains our second largest exposure, consisting roughly 15.0-16.0% in both of our funds as our fundamental view on selective scrips from banking sector remains intact.

Meanwhile, we curbed our exposure in Short Term Deposit (STD) and FDR from 30.08% to 22.59% in IDLC Balanced Fund and from 32.47% to 25.16% in IDLC Growth Fund.

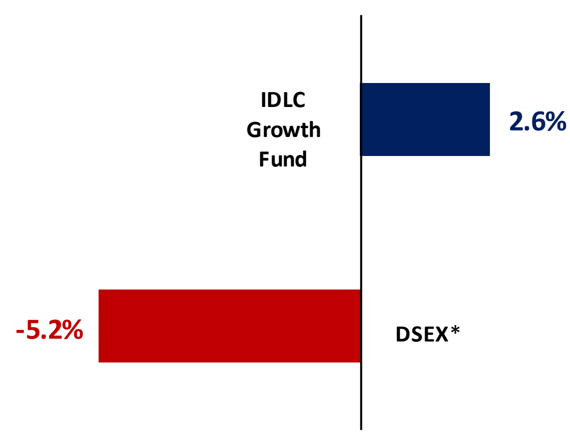
We are largely optimistic on the market outlook from 2019 and onward. We believe that the current political stability would be paramount for continuing economic growth of the country. Capital market will follow suit this economic growth in the coming days.

Return of IDLC Balanced Fund for the period of 1st July 2018 - 31st December 2018



^The latest Average deposit rate is taken from Bangladesh Bank website and is adjusted for the quarter
~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.

Return of IDLC Growth Fund for the period of 8th May 2018 - 31th December 2018



*DSEX return is calculated from 8th May, 2018 to be more comparable with return of IDLC Growth Fund.

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 8 years

Shaikh Malik Al-Razi
Capital market experience over 7 years

Asset Under Management (AUM)

BDT 789.4 mn @ Market (Dec 31, 2018)

NAV (Per Unit) at Quarter End

BDT 10.26 (At Market Value) as on Dec 31, 2018

Minimum Application Requirement

SIP: BDT 3,000 (Individuals)
BDT 10,000 (Institutions)

Non SIP: 500 units (Individuals)
5,000 units (Institutions)

Annualized Ratios

Turnover Ratio: 4.6x
Expense Ratio : 3.1%

Latest NAV and Price (Per unit)

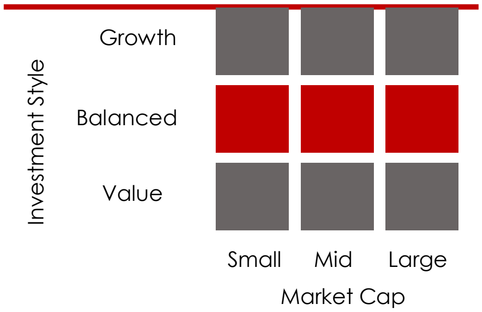
NAV @ Market : BDT 10.85
Investors' Buy Price : BDT 10.85
Investors' Sell Price : BDT 10.85

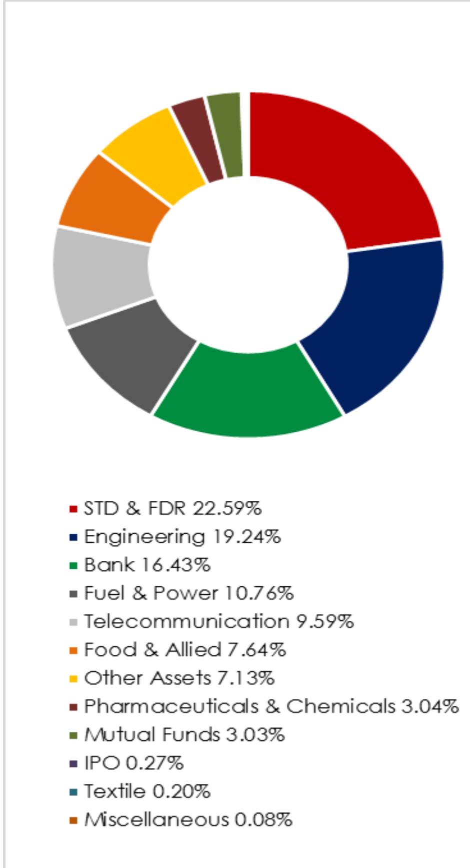
(Applicable till January 30, 2019)

Redemption Proceeds

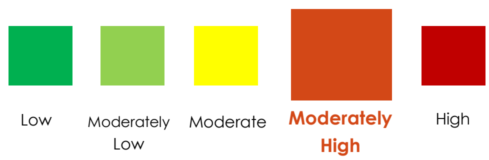
Within 3 working days after transfer of units

Fund Style





Risk Scale



Asset Allocation

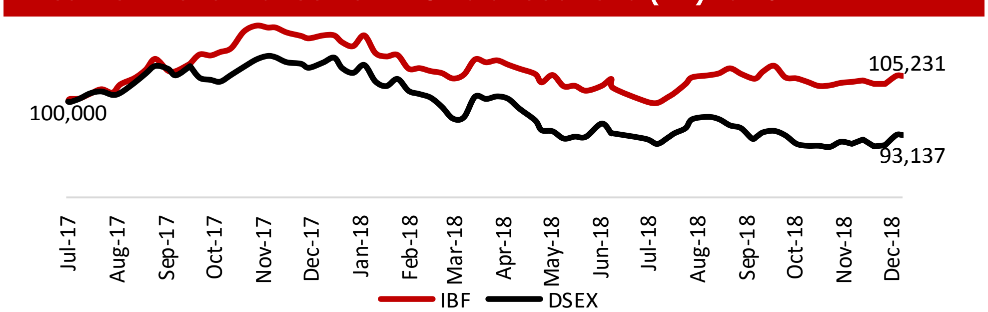
Type	% of Total
Growth	48.43%
Income Generating	24.11%
STD	20.07%
Other Assets	7.13%
IPO	0.27%
Total	100.00%

Top Ten Holdings*

DSE Code	Industry	% of total
SINGERBD	Engineering	9.76%
GP	Telecommunication	9.59%
IFADAUTOS	Engineering	9.48%
BRACBANK	Bank	9.24%
SUMITPOWER	Fuel & Power	8.97%
BATBC	Food & Allied	5.36%
DHAKABANK	Bank	3.13%
ATCSLGF	Mutual Funds	3.03%
BXPHARMA	Pharmaceuticals & Chemicals	2.95%
OLYMPIC	Food & Allied	2.28%
Total		**63.80%**

*Detailed Portfolio is available in the Portfolio Statement.

Investment Performance^ of IDLC Balanced Fund (IBF) vs DSEX



^Value of BDT 100,000 invested in IBF vs value of similar investment in DSEX over time , both made on July 22, 2017, the point of inception of IBF.

IDLC GROWTH FUND FACTSHEET

Investment Objective

To generate long-term capital appreciation from a portfolio of predominantly equity & equity related instruments.

Fund Inception Date

September 11, 2017

Fund Debut Date

May 08, 2018

Asset Managers

Rajib Kumar Dey
Capital market experience of over 8 years

Shaikh Malik Al-Razi
Capital market experience of over 7 years

Asset Under Management (AUM)

BDT 310.5 mn @ Market (December 31, 2018)

NAV (Per Unit) at Quarter End

BDT 10.26 (At Market Value) as on Dec 31, 2018

Minimum Application Units

SIP: BDT 3,000 (Individuals)
BDT 10,000 (Institutions)

Non SIP: 500 units (Individuals)
5,000 units (Institutions)

Annualized Ratios

Turnover Ratio: 5.0x
Expense Ratio : 4.0%

Latest NAV and Price (Per unit)

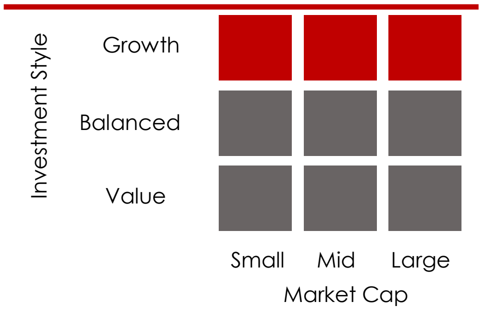
NAV @ Market : BDT 10.89
Investors' Buy Price : BDT 10.89
Investors' Sell Price : BDT 10.89

(Applicable till January 30, 2019)

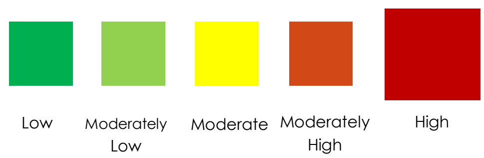
Redemption Proceeds

Within 3 working days after transfer of units

Fund Style



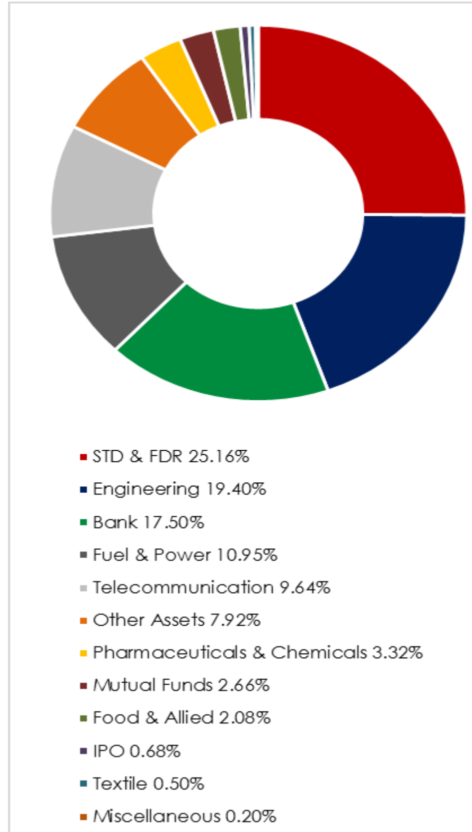
Risk Scale



Asset Allocation

Type	% of Total
Growth	44.89%
Income Generating	37.35%
STD	9.16%
Other Assets	7.92%
IPO	0.68%
Total	100.00%

Sector Allocation

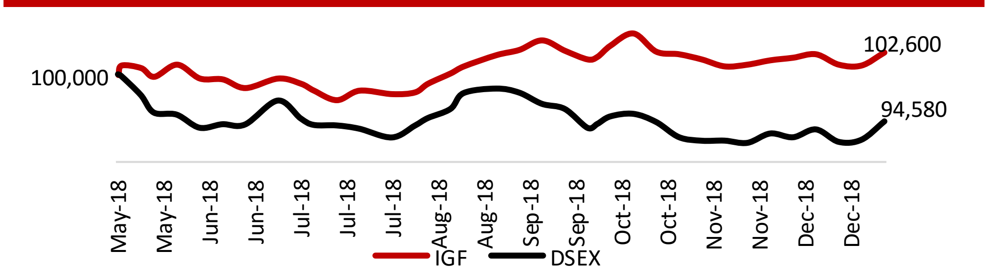


Top Ten Holdings*

DSE Code	Industry	% of total
SINGERBD	Engineering	9.84%
GP	Telecommunication	9.64%
IFADAUTOS	Engineering	9.56%
BRACBANK	Bank	9.23%
SUMITPOWER	Fuel & Power	9.05%
DHAKABANK	Bank	3.39%
BXPHARMA	Pharmaceuticals & Chemicals	3.09%
ATCSLGF	Mutual Funds	2.66%
OLYMPIC	Food & Allied	2.08%
KPCL	Fuel & Power	1.90%
Total		**60.43%**

*Detailed Portfolio is available in the Portfolio Statement.

Investment Performance^ of IDLC Growth Fund (IBF) vs DSEX



^Value of BDT 100,000 invested in IGF vs value of similar investment in DSEX over time , both made on May 06, 2018, the point of inception of IGF.

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.

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.

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