

IDLC ASSET MANAGEMENT LIMITED

ASSET MANAGER'S REPORT September 30, 2018

aml.idlc.com



চেরাগের দৈত্য নয়



টাকা বাড়ায় স্মার্ট ইনভেস্টমেন্ট

চেরাগের দৈত্য টাকা বাড়ায় শুধুমাত্র রূপকথায়। বাস্তবে টাকা বাড়াতে স্মার্টলি ইনভেস্ট করুন
দক্ষ ফান্ড ম্যানেজার দ্বারা পরিচালিত IDLC মিউচুয়াল ফান্ডে।

- বিনিয়োগের ঝুঁকি ব্যবস্থাপনা করে সর্বোত্তম লাভের সম্ভাবনা
- বার্ষিক আয় ও দীর্ঘমেয়াদী প্রবৃদ্ধি
- কোন ফি/চার্জ ছাড়াই যেকোন সময় fund withdrawal সুবিধা

বিস্তারিত জানতে ডায়াল করুন ১৬৪০৯

* মিউচুয়াল ফান্ডে বিনিয়োগ ঝুঁকিপূর্ণ। বিনিয়োগের আগে প্রস্পেক্টাস ভালো করে পড়ে ও বুঝে নিন।

DATE OF PUBLICATION: November 07, 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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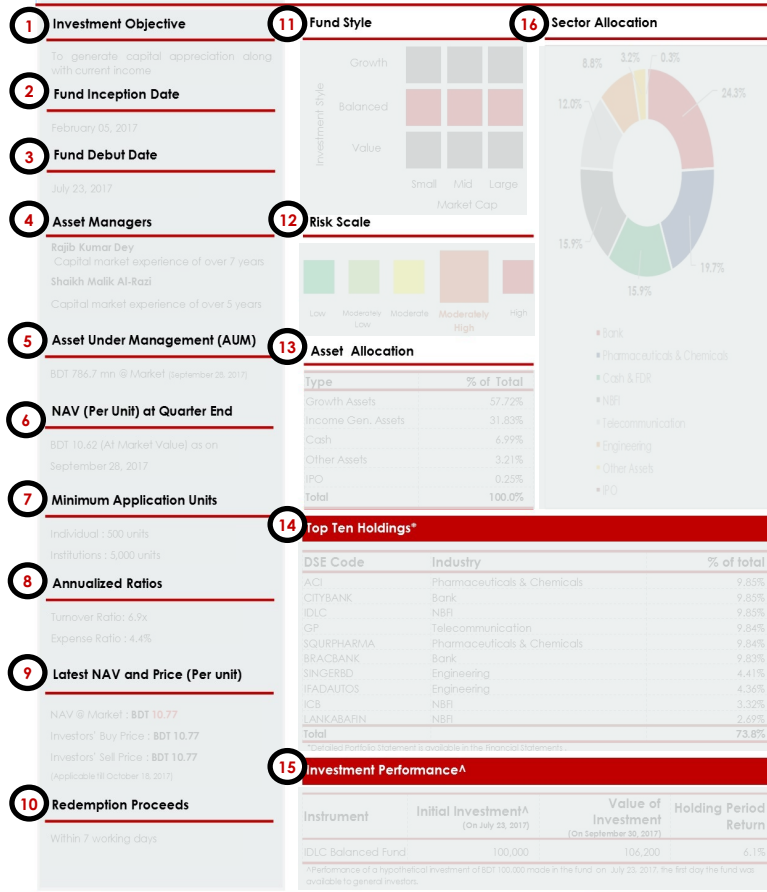
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GUIDE TO THE FACTSHEET

- 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 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



- 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 September 2018, IDLC Balanced Fund posted 0.1% return since June 2018, during the same period a Hypothetical Balanced Portfolio~ would have generated a similar return. During the same period, DSEX yielded negative 0.7% and investors earned a weighted average interest rate of 1.3% from Bank Deposits. At the same time, our newly launched IDLC Growth fund yielded 2.1% return since inception in May, 2018 while the benchmark DSEX declined by 5.5% during the same period.

To avoid market volatility we adhered to our strategy of maintaining large exposure in Short Term Deposit (STD) and income generating assets. So far, our strategy to keep the market exposure in check has been paying off in the face of capital market and money market volatility. By the end of the quarter, we maintained 35.4% and 39.7% exposure in income generating assets in Balanced fund and Growth fund, respectively. However, our exposure in growth assets remained 43.2% and 38.6% respectively for Balanced fund and Growth fund.

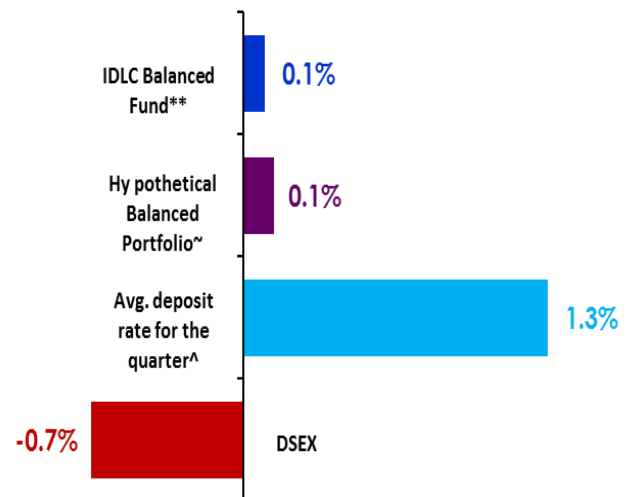
We have taken highest exposure in the Engineering sector which is close to maximum limit for both of our funds. Some of these positions are tactical and some are long term in nature. However, we are confident about the earning potential of our portfolio holdings from this sector. We have taken exposure to a home appliance manufacturing and distribution business, which we believe has a better management and has the ability to deliver continuing growth to cater to the growing demand of expanding middle class of Bangladesh.

During the quarter we have reduced our exposure in the Banking sector, though we are maintaining a healthy exposure of roughly 15.0% in both of our portfolios. Our conviction in banks lies on the ongoing technological evolution and consequent efficiency improvement in the pioneering banks.

By the end of the September quarter, our allocation in STD and FDR stood at 30.1% and 32.5% for balanced fund and growth fund. 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.

Volatility is always a part of equity market, these market corrections give opportunities for the value investors to enter the market at a discounted level. We believe, our investment philosophy will protect our investors in the downturn and generate sufficient return in the upcoming days.

Return of IDLC Balanced Fund for the period of 1st July 2018 - 30th September 2018

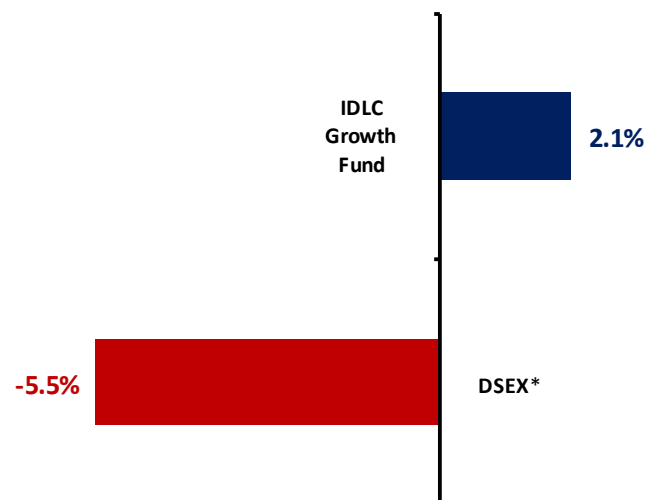


^The latest Average deposit rate is taken from Bangladesh Bank website and is adjusted for the quarter

~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 - 30th September 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 7 years

Shaikh Malik Al-Razi

Capital market experience over 6 years

Asset Under Management (AUM)

BDT 792.4 mn @ Market (Sep 30, 2018)

NAV (Per Unit) at Quarter End

BDT 10.22 (At Market Value) as on Sep 30, 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: 5.9x
Expense Ratio : 3.4%

Latest NAV and Price (Per unit)

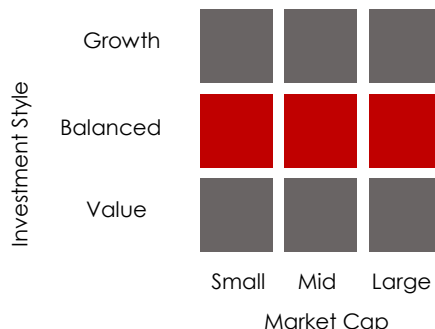
NAV @ Market : **BDT 10.14**
Investors' Buy Price : **BDT 10.14**
Investors' Sell Price : **BDT 10.14**

(Applicable till November 07, 2018)

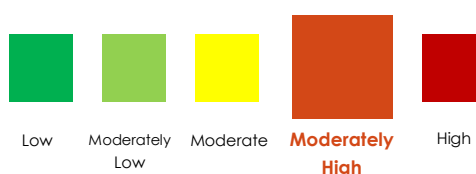
Redemption Proceeds

Within 5 working days

Fund Style



Risk Scale



Asset Allocation

Type	% of Total
Growth	43.23%
Income Generating	35.40%
STD	18.30%
Other Assets	2.92%
IPO	0.16%
Total	100.00%

Sector Allocation



- STD & FDR 30.08%
- Engineering 23.51%
- Bank 15.26%
- Fuel & Power 9.96%
- Telecommunication 8.65%
- Food & Allied 6.08%
- Pharmaceuticals & Chemicals 3.09%
- Other Assets 2.92%
- IPO 0.16%
- Textile 0.10%
- Miscellaneous 0.10%
- Mutual Funds 0.10%

Top Ten Holdings*

DSE Code	Industry	% of total
BRACBANK	Bank	10.20%
SUMITPOWER	Fuel & Power	9.91%
SINGERBD	Engineering	9.78%
IFADAUTOS	Engineering	9.74%
GP	Telecommunication	8.65%
BATBC	Food & Allied	6.08%
CITYBANK	Bank	5.06%
WMSHIPYARD	Engineering	3.16%
ACTIVEFINE	Pharmaceuticals & Chemicals	3.05%
NAHEEACP	Engineering	0.83%
Total		66.46%

*Detailed Portfolio is available in the Portfolio Statement.

Investment Performance^

Instrument	Initial Investment^ (On July 23, 2017)	Value of Investment (On Sep 30, 2018)	Holding Period Return
IDLC Balanced Fund	100,000	104,821	4.8%

^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.

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 7 years

Shaikh Malik Al-Razi

Capital market experience of over 6 years

Asset Under Management (AUM)

BDT 322.4 mn @ Market (September 30, 2018)

NAV (Per Unit) at Quarter End

BDT 10.21 (At Market Value) as on Sep 30, 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: 6.8x*

Expense Ratio : 5.0%*

*Annualized based on 419 days.

Latest NAV and Price (Per unit)

NAV @ Market : **BDT 10.18**

Investors' Buy Price : **BDT 10.18**

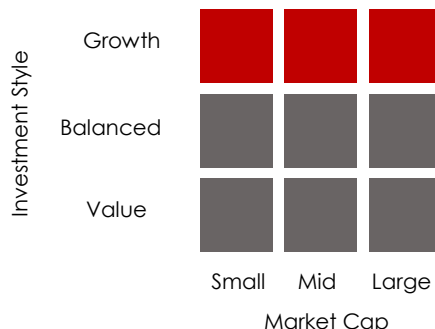
Investors' Sell Price : **BDT 10.18**

(Applicable till November 07, 2018)

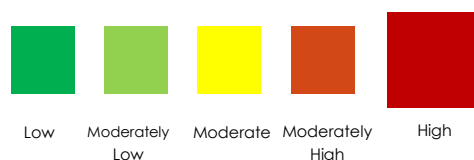
Redemption Proceeds

Within 5 working days

Fund Style



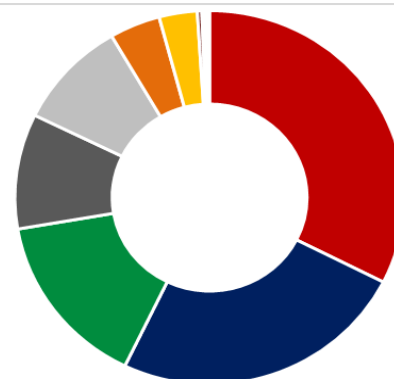
Risk Scale



Asset Allocation

Type	% of Total
Growth	38.62%
Income Generating	39.70%
STD	17.07%
Other Assets	4.22%
IPO	0.38%
Total	100.00%

Sector Allocation



- STD & FDR 32.47%
- Engineering 24.70%
- Bank 15.14%
- Fuel & Power 9.95%
- Telecommunication 9.35%
- Other Assets 4.22%
- Pharmaceuticals & Chemicals 3.16%
- IPO 0.38%
- Textile 0.26%
- Miscellaneous 0.25%
- Mutual Funds 0.12%

Top Ten Holdings*

DSE Code	Industry	% of total
BRACBANK	Bank	10.14%
SUMITPOWER	Fuel & Power	9.95%
GP	Telecommunication	9.35%
SINGERBD	Engineering	9.35%
IFADAUTOS	Engineering	9.34%
WMSHIPYARD	Engineering	5.04%
CITYBANK	Bank	5.00%
ACTIVEFINE	Pharmaceuticals & Chemicals	3.16%
NAHEEACP	Engineering	0.97%
SKTRIMS	Miscellaneous	0.25%
Total		62.55%

*Detailed Portfolio is available in the Portfolio Statement.

Investment Performance^

Instrument	Initial Investment^ (On May 08, 2018)	Value of Investment (On Sep 30, 2018)	Holding Period Return
IDLC Growth Fund	100,000	102,090	2.1%

^Performance of a hypothetical investment of BDT 100,000 made in the fund on May 08, 2018, 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.

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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