

IDLC ASSET MANAGEMENT LIMITED

ASSET MANAGER'S REPORT March 31, 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: April 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.

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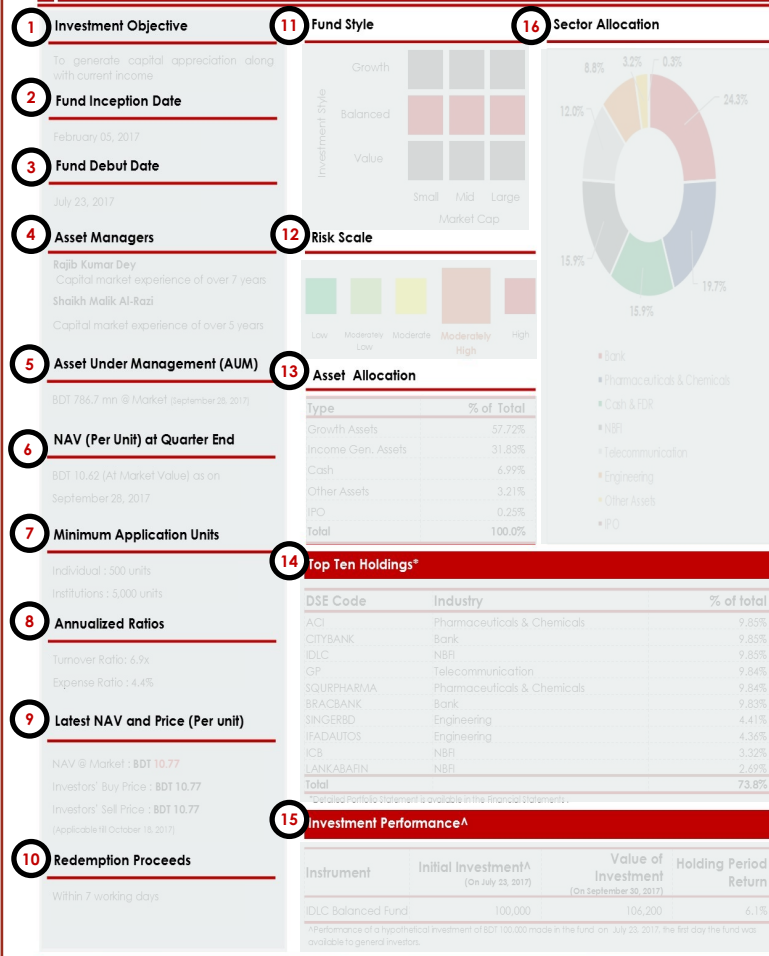
INDEX

Particulars	Page No.
Guide to the Factsheet	03
Asset Manager's Remarks	04
IDLC Balanced Fund Factsheet	05
Disclaimer	06

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 BALANCED 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 March 2018, return of IDLC Balanced fund stood at 5.5% since its debut, while a Hypothetical Balanced Portfolio~ would have generated a return of negative 0.5%. During the same period, DSEX yielded negative 3.2% and investors earned a weighted average interest rate of 3.6% from Bank Deposits.

During the last quarter, benchmark DSEX slumped by 10.4% while IDLC Balance Fund dented by 7.0%. This resulted from our strategy to curb down high beta growth stocks as well as equity exposure as a whole. By the end of the quarter our growth asset stood at 44.4% from 58.7% of the previous quarter. For the first time our income generating asset (46.40%) superseded our growth asset.

By the end of March quarter, our Short Term Deposit (STD) and FDR balance reached 29.5%. Most of these are in short tenor so that it can be quickly liquated to make opportunistic investments in 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 24.58%. However, we have reduced our investment in NBFI sector due to its high beta. This helped us to protect our portfolio from the recent correction of the index.

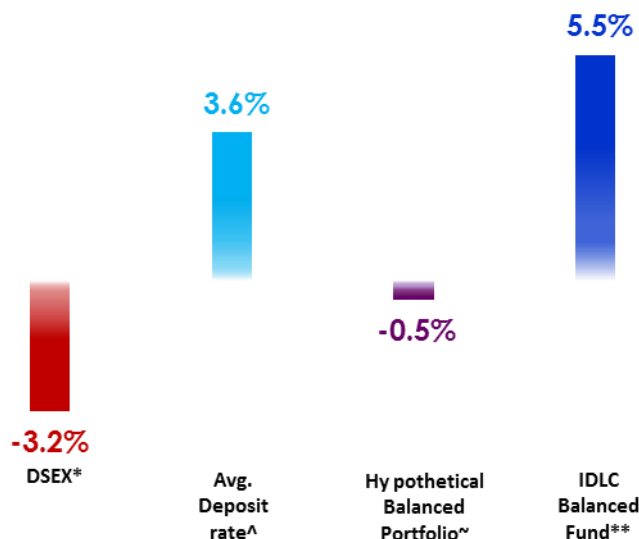
Our conviction in the banks lies on the ongoing technological evaluation and consequent efficiency improvement in the pioneering banks. Highest weights have been given to those which we believe will rip most benefit from these improvements.

Our exposure in pharmaceuticals (14.9%) remained almost unchanged and we are confident on the long term prospect of the sector. We believe the sector will benefit in near term due to hike in interest rate as most of our holdings have a debt free balance sheet and substantial cash balance.

We continue to maintain highest exposure in the largest MNO of the county and believe the company has the capacity to transform into a digital service provider. We are also optimistic that the sector will thrive as there is more room for growth in both voice and data.

In the capital market, volatility is unavoidable. A downturn creates the golden opportunity for value investors to take fresh entry in the market. Time and again this value driven philosophy will generate return for the investors. We believe, the right investment philosophy will make the difference in the upcoming days.

Return (23rd July 2017-31st March 2018)



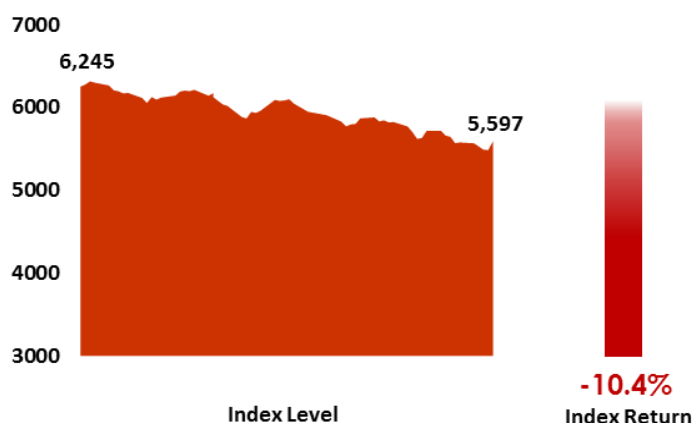
*DSEX return is calculated from 23rd July'17 to be more comparable with return of IDLC Balanced Fund.

^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

DSEX (Jan-Mar 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 886.6 mn @ Market (March 31, 2018)

NAV (Per Unit) at Quarter End

BDT 10.55 (At Market Value) as on

March 31, 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 10.75**

Investors' Buy Price : **BDT 10.75**

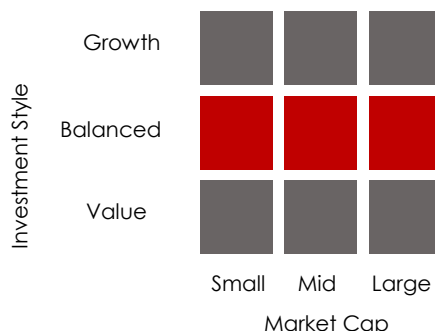
Investors' Sell Price : **BDT 10.75**

(Applicable till April 30, 2018)

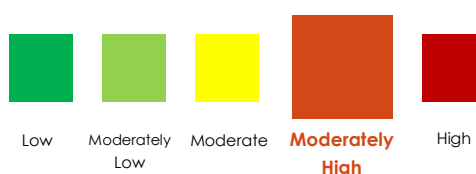
Redemption Proceeds

Within 5 working days

Fund Style



Risk Scale



Asset Allocation

Type	% of Total
Growth Assets	44.41%
Income Gen. Assets	46.40%
STD	3.68%
Other Assets	5.13%
IPO	0.38%
Total	100.00%

Sector Allocation



■ STD & FDR	29.47%
■ Bank	24.58%
■ Pharmaceuticals & Chemicals	14.85%
■ Telecommunication	9.95%
■ Engineering	7.28%
■ Mutual Fund	6.03%
■ Other Assets	5.13%
■ Food & Allied	2.29%
■ Textile	0.04%

Top Ten Holdings*

DSE Code	Industry	% of total
CITYBANK	Bank	10.00%
BRACBANK	Bank	9.99%
SQURPHARMA	Pharmaceuticals & Chemicals	9.98%
GP	Telecommunication	9.95%
IFADAUTOS	Engineering	7.19%
BXPBARMA	Pharmaceuticals & Chemicals	4.87%
DHAKABANK	Bank	4.54%
GRAMEENS2	Mutual Fund	4.10%
OLYMPIC	Food & Allied	2.29%
DBHISTMF	Mutual Fund	1.93%
Total		64.84%

*Detailed Portfolio is available in the Portfolio Statement.

Investment Performance^

Instrument	Initial Investment^ (On July 23, 2017)	Value of Investment (On March 31, 2018)	Holding Period Return
IDLC Balanced Fund	100,000	105,500	5.5%

^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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