

IDLC ASSET MANAGEMENT LIMITED

ASSET MANAGER'S REPORT June 30, 2020



IDLC
Asset Management Limited
financing happiness

SIP অ্যাড রিল্যাক্স

প্রতিমাসে ন্যূনতম ৫,০০০ টাকা ইনভেস্ট করার সুযোগ করে দিচ্ছে IDLC SIP (Systematic Investment Plan)

- নিয়মিত ইনভেস্ট করার মাধ্যমে বিনিয়োগ করা টাকা রিট ম্যানুজ করে ভালো বেড়ে উঠতে পারে
- ইনভেস্টমেন্টের পুরো টাকাই ট্যাক্স রিবেটের জন্য দেখানো যায়
- খুবই অল্প প্রিমিয়ামে লাইফ ইন্স্যুরেন্স নেয়া যায়

IDLC SIP-এর আরো অনেক সুবিধা সম্পর্কে জানতে-

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* মিউচুয়াল ফান্ডে বিনিয়োগ কাপিটাল মার্কেটের স্টকির সাথে সম্পর্কিত। বিনিয়োগের আগে সংশ্লিষ্ট ডকুমেন্টস অধ্যয়ন করে পড়ে ও বুঝে নিন।

DATE OF PUBLICATION: July 29, 2020

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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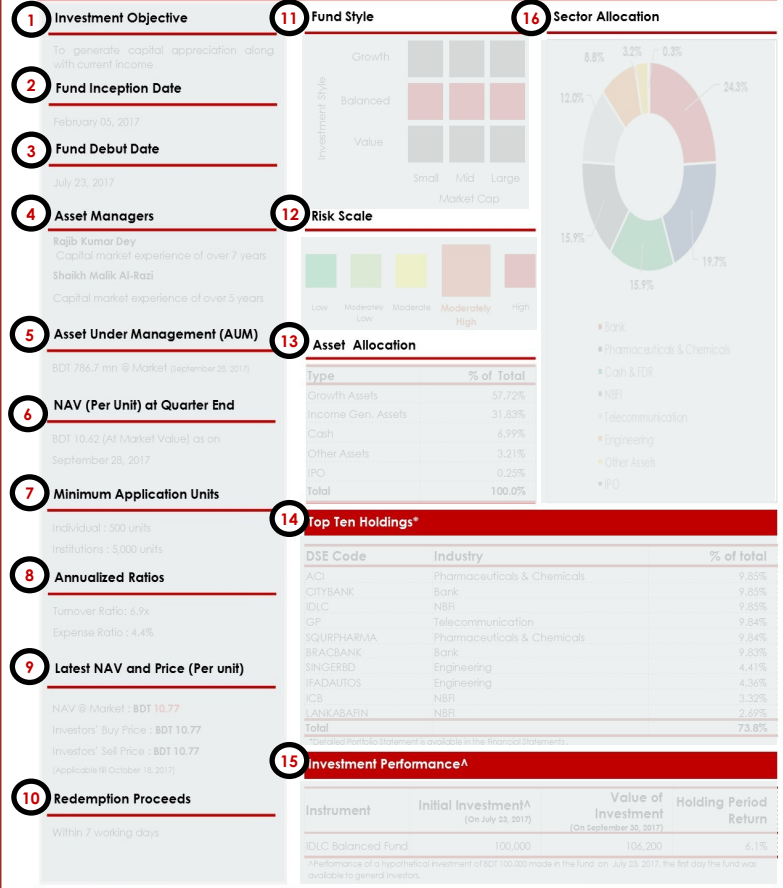
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GUIDE TO THE FACTSHEET

- 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 amount/number of units an investor (individual/institution) has to subscribe.
- 8 **Turnover ratio** is calculated by dividing the total amount of securities purchased or sold, whichever is lower, by the 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 (except for 2% exit load if units are surrendered in less than 30 calendar days. For IDLC SIP Investors, this only applies against surrender of 1st installment).
- 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 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/DSES 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 the period July 2019 to June 2020, IDLC Balanced Fund and IDLC Growth Fund have generated an excess return of 15.1% and 15.0% respectively. IDLC Balanced Fund, which was launched in 2017, has generated the highest excess return in comparison to similar styled funds in the market, between the period 2017-19. Similarly, IDLC Growth Fund, which was launched in 2018, has also generated the highest excess return during 2018-19, in comparison to similar styled funds. IDLC AML Shariah Fund, which was launched in December 2019, has generated an excess return of 7.0% since inception.

During the last year capital market of Bangladesh went through a number of challenges from both regulatory and macro end, consequently both money market and capital market remained volatile throughout the entire year. Private sector credit growth remained at a historic low of 8.82% and so was the Foreign Direct Investment. However, deadly spread of the COVID-19 and the subsequent lockdown was the last straw for the economy.

Fortunately, the internal demand is still robust and despite communication disruption across the country and business slowdown, the economy is gradually turning around. Massive flow of inbound remittance in the last quarter has been a blessing for the cash starved banking system and it gave much needed respite to the financial sector. Though we may see a continued stress in remittance due to job losses and reduced earnings of Bangladeshi workers living abroad, this flow of remittance will fuel the rural economy of the country and play a critical role to restore the consumption drive which is essential for any future business growth of Bangladesh. The effect of remittance is already reflected in the financial sector as the Treasury Bill/Bond market is going through a steep downward shift, at least for the bonds with shorter maturities. Similarly, interest rate on deposit in the commercial banking arena has also declined sharply. The demand for loan and business investment is still near to the ground, however, the prevailing low interest as well as the market correction over the last 2 years makes equity investment immensely attractive.

Your asset manager is in a perfect place to take advantage of the prevailing attractive valuation as we are primarily sitting on cash. Both IDLC Balanced Fund and IDLC Growth Fund invested roughly 45% in Short Term Deposit (STD) and FDR as of June 2020 while most of the fund (82.0%) of IDLC AML Shariah Fund is still in the form of liquid assets.

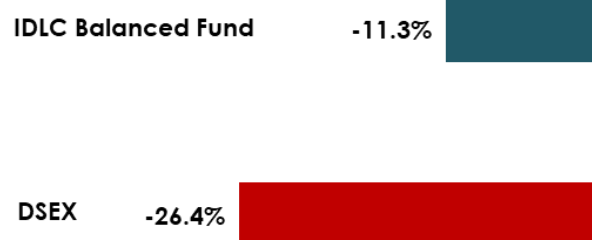
Majority of our investment remains in the defensive sectors, i.e. Pharmaceuticals, Power and Telecommunication. Despite the COVID-19 situation and lackluster economic activities we believe demand for Pharmaceutical products will be stable due to the heavy use to gastrointestinal medicine and life style drugs, while Telecommunication and Power as basic infrastructure will also continue to perform. Some pharmaceutical manufacturers may even benefit due to heavy use of different existing and newly formulated drugs which is considered to be helpful for COVID-19 patients. We are maintaining roughly 8.0% exposure in Pharmaceuticals, 9.0% in Telecommunication, and 8.0% in Power sector in both IDLC Balanced Fund and IDLC Growth Fund.

We believe in the midst of every crisis, lies great opportunity. This is certainly true in the arena of investment and the opportunities are well reflected in the price of a number of extremely well governed companies which are trading at a very lucrative valuation despite their strong business potential. The COVID-19 and consequent economic slowdown is a temporary phenomenon, however this has created the opportunity for long term investors. Finally, we would like to take the opportunity to thank our investors for remaining with us in this turbulent journey.

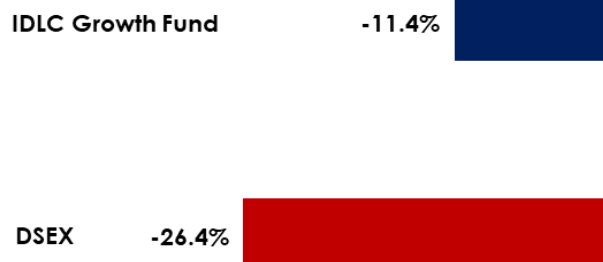
Return of IDLC AML Mutual Funds for the period

1st July, 2019 - 30th June, 2020

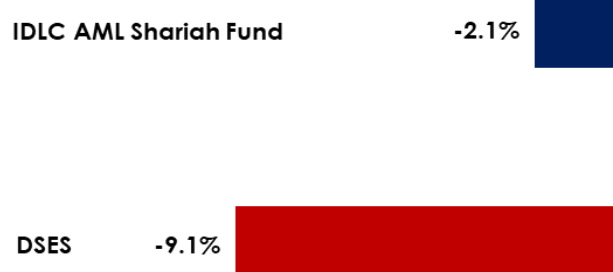
IDLC Balanced Fund



IDLC Growth Fund



IDLC AML Shariah 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

Shaikh Malik Al-Razi

Capital market experience over 8 years

Md Arman Chy Nayan

Capital market experience over 7 years

Asset Under Management (AUM)

BDT 600.1 mn @ Market (June 30, 2020)

NAV (Per Unit) at Quarter End

BDT 8.90 (At Market Value) as on June 30, 2020

Minimum Application Requirement

SIP: BDT 5,000 (Individuals)
BDT 10,000 (Institutions)

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

Annualized Ratios

Turnover Ratio: 56.6%
Expense Ratio : 2.5%

Latest NAV (Per unit)

NAV @ Market : BDT 9.05 (as on July 23, 2020)
Investors' Buy Price: BDT 9.05
Investors' Sell Price: BDT 9.05
(Applicable till July 29, 2020)

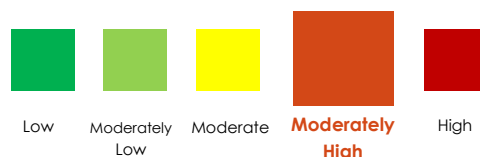
Redemption Proceeds

Within 3 working days after transfer of units

Fund Style



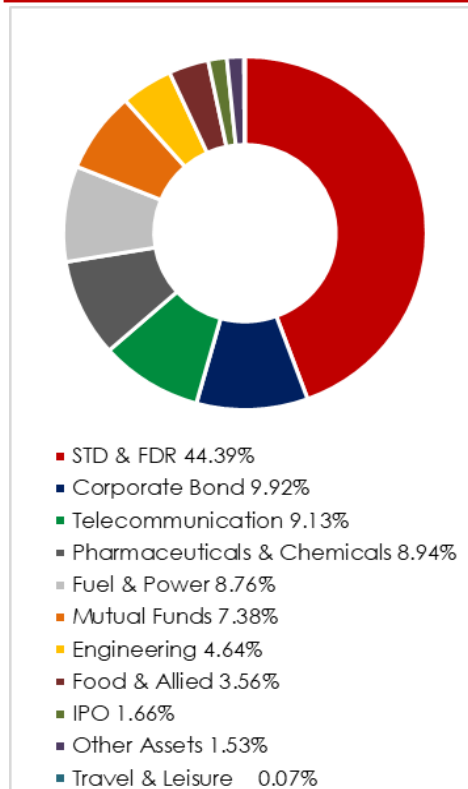
Risk Scale



Asset Allocation

Type	% of Total Assets
Growth	26.35%
Income Generating	63.58%
STD	6.88%
Other Assets	1.53%
IPO	1.66%
Total	100.00%

Sector Allocation

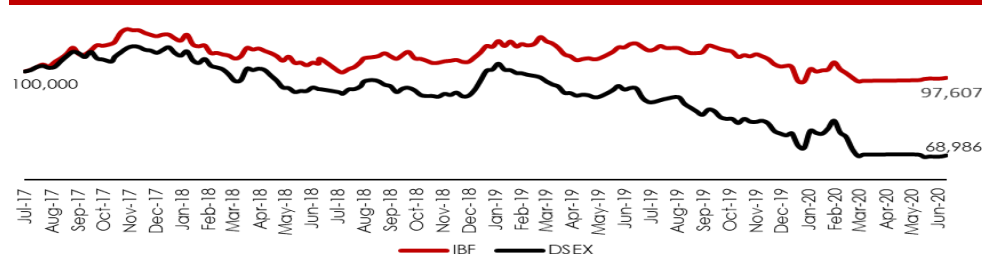


Top Ten Holdings*

DSE Code	Industry	% of Total Assets
APSCLBOND	Corporate Bond	9.92%
GP	Telecommunication	9.13%
SUMITPOWER	Fuel & Power	8.76%
GREENELMF	Mutual Funds	4.96%
RENATA	Pharmaceuticals & Chemicals	4.84%
SINGERBD	Engineering	4.62%
BATBC	Food & Allied	3.56%
BXPHERMA	Pharmaceuticals & Chemicals	2.56%
DBH1STMF	Mutual Funds	2.42%
SQURPHARMA	Pharmaceuticals & Chemicals	1.54%
Total		52.33%

*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 23, 2017, fund debut date 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

Shaikh Malik Al-Razi

Capital market experience over 8 years

Md Arman Chy Nayan

Capital market experience over 7 years

Asset Under Management (AUM)

BDT 297.6 mn @ Market (Jun 30, 2020)

NAV (Per Unit) at Quarter End

BDT 8.88 (At Market Value) as on June 30, 2020

Minimum Application Units

SIP: BDT 5,000 (Individuals)
BDT 10,000 (Institutions)

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

Annualized Ratios

Turnover Ratio: 57.6%
Expense Ratio : 2.9%

Latest NAV (Per unit)

NAV @ Market : BDT 9.02 (as on July 23, 2020)

Investors' Buy Price: BDT 9.02

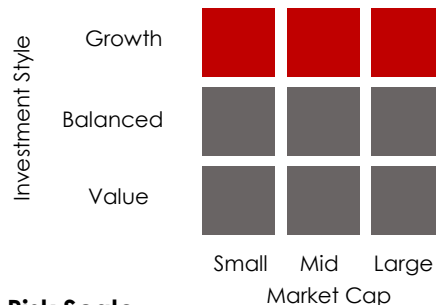
Investors' Sell Price: BDT 9.02

(Applicable till July 29, 2020)

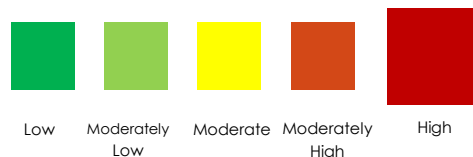
Redemption Proceeds

Within 3 working days after transfer of units

Fund Style



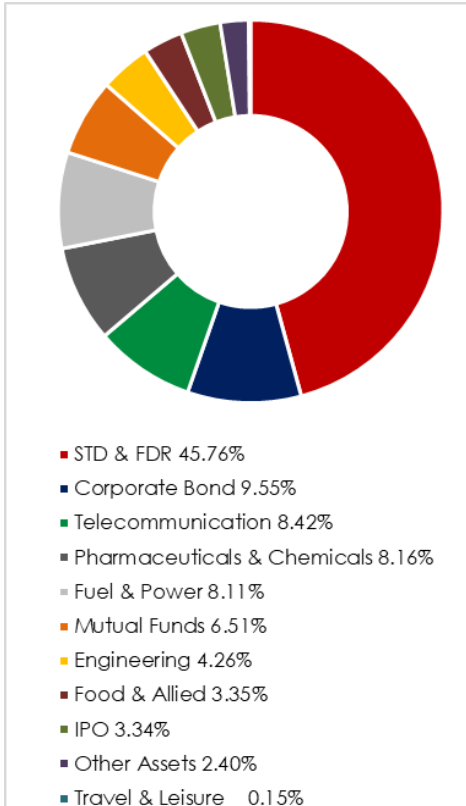
Risk Scale



Asset Allocation

Type	% of Total Assets
Growth	24.33%
Income Generating	59.39%
STD	10.54%
Other Assets	2.40%
IPO	3.34%
Total	100.00%

Sector Allocation

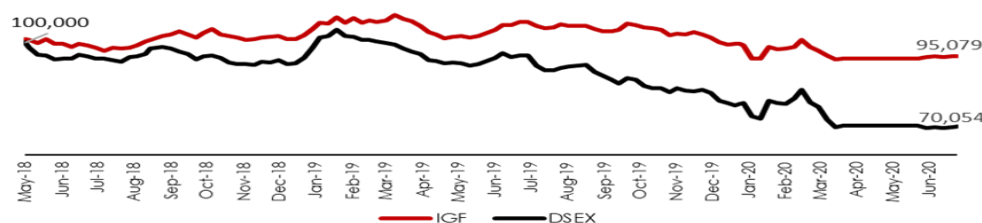


Top Ten Holdings*

DSE Code	Industry	% of Total Assets
APSCLBOND	Corporate Bond	9.55%
GP	Telecommunication	8.42%
SUMITPOWER	Fuel & Power	8.11%
GREENDELMF	Mutual Funds	4.45%
RENATA	Pharmaceuticals & Chemicals	4.41%
SINGERBD	Engineering	4.22%
BATBC	Food & Allied	3.35%
BXPBARMA	Pharmaceuticals & Chemicals	2.31%
DBH1STMF	Mutual Funds	2.06%
SQURPHARMA	Pharmaceuticals & Chemicals	1.44%
Total		48.31%

*Detailed Portfolio is available in the Portfolio Statement.

Investment Performance[^] of IDLC Growth Fund (IGF) vs DSEX



[^]Value of BDT 100,000 invested in IGF vs value of similar investment in DSEX over time, both made on May 08, 2018, fund debut date of IGF.

IDLC AML SHARIAH FUND FACTSHEET

Investment Objective

To generate profit by investing in a portfolio of Shariah compliant securities, vetted by the Shariah Advisory Board.

Fund Inception Date

July 28, 2019

Fund Debut Date

December 12, 2019

Asset Managers

Shaikh Malik Al-Razi

Capital market experience over 8 years

Md Arman Chy Nayan

Capital market experience over 7 years

Asset Under Management (AUM)

BDT 197.6 mn @ Market (Jun 30, 2020)

NAV (Per Unit) at Quarter End

BDT 9.79 (At Market Value) as on June 30, 2020

Minimum Application Units

SIP: BDT 5,000 (Individuals)
BDT 10,000 (Institutions)

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

Annualized Ratios

Turnover Ratio: 32.5%
Expense Ratio : 3.3%

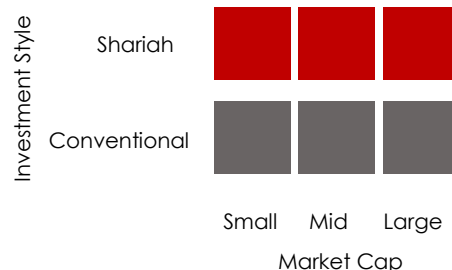
Latest NAV (Per unit)

NAV @ Market : BDT 9.87 (as on July 23, 2020)
Investors' Buy Price: BDT 9.87
Investors' Sell Price: BDT 9.87
(Applicable till July 29, 2020)

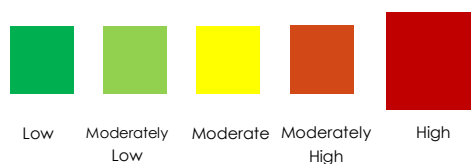
Redemption Proceeds

Within 3 working days after transfer of units

Fund Style



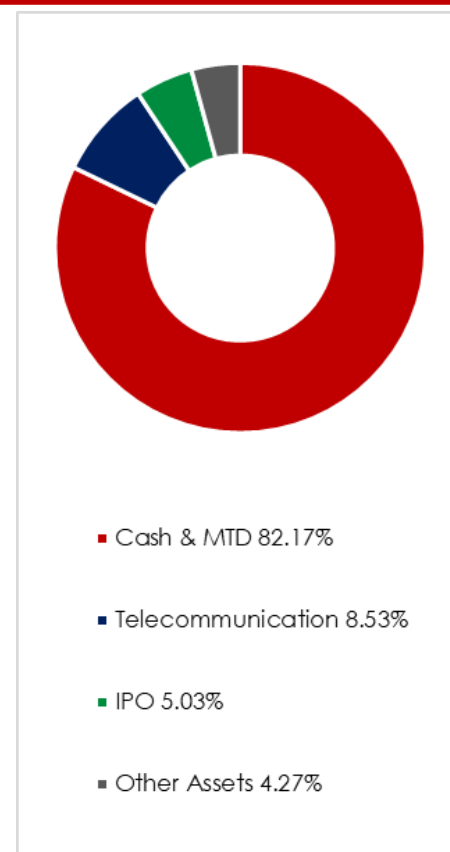
Risk Scale



Asset Allocation

Type	% of Total Assets
Growth	8.53%
Income Generating	65.38%
Cash	16.79%
Other Assets	4.27%
IPO	5.03%
Total	100.0%

Sector Allocation

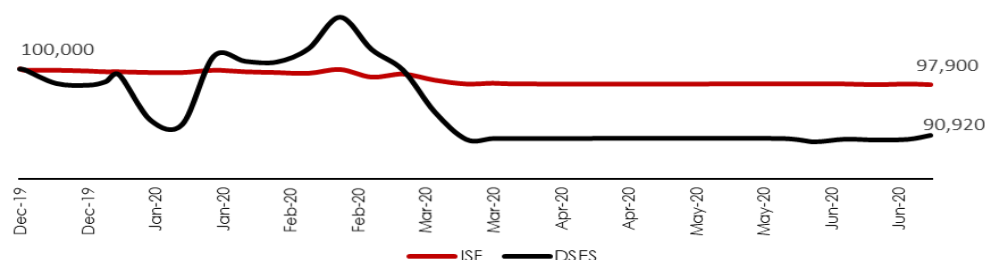


Top Ten Holdings*

DSE Code	Industry	% of Total Assets
GP	Telecommunication	8.53%
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
Total		8.53%

*Detailed Portfolio is available in the Portfolio Statement.

Investment Performance^ of IDLC AML Shariah Fund (ISF) vs DSES



^Value of BDT 100,000 invested in ISF vs value of similar investment in DSES over time, both made on December 12, 2019.

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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