

INVESTMENT MANAGEMENT AGREEMENT

IDLC Balanced Fund

(A Mutual Fund with the meaning of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১)

DEED OF INVESTMENT MANAGEMENT (hereinafter referred to as "Agreement") made at Dhaka on this the 5th day of February of the Christian era 2017.

BETWEEN

IDLC Finance Limited, a Non-Bank Financial Institution, incorporated under the Companies Act 1994 vide Certificate of Incorporation No C-14218/1992 of 1984-1985, dated: 23rd May of 1985 and governed by the Financial Institution Act 1993 having Registered Office at Bay's Galleria (1st Floor), 57 Gulshan Avenue, Dhaka 1212, Bangladesh, represented by its Deputy Managing Director, Mr. H. M. Ziaul Hoque Khan, FCA hereinafter referred to singly, severally and collectively, as the "Author" or "Sponsor", which expression shall, unless it be repugnant to the context or meaning thereof, include its representatives, corporate successors in interest and assigns as the FIRST PART.

AND

IDLC Asset Management Limited, a private company limited by shares incorporated under the Companies Act 1994 vide Certificate of Incorporation No C-127068/2015, dated: 22nd November 2015 and licensed as Asset Manager by Bangladesh Securities and Exchanges Commission, Dhaka, Bangladesh under বিবি ৯৮ of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, having its Registered Office and Corporate Office at South Avenue Tower (5th Floor), Unit No. 502, House No. 50, Road No. 03, 7 Gulshan Avenue, Dhaka-1212, represented by its Managing Director, Mr. Rajib Kumar Dey, hereinafter referred to as the "Asset Management Company" or "Asset Manager" which expression shall, unless it be repugnant to the context or meaning thereof, include its Directors, attorneys, representatives, corporate successors in interest and assigns as the SECOND PART.



IDLC Finance Limited

WHEREAS, the party of the First Part is a leading financial institution in Bangladesh, engaged in providing financial solutions to diverse customer segments including corporates, SMEs and individuals with wide network of branches all over Bangladesh and qualified and capable to be the Sponsor of an Open-End Mutual Fund.

AND WHEREAS the party of the Second Part is an Asset Management Company, engaged in, among others, asset management business having required capabilities, qualifications and adequate skills in its concerned fields of activities and is the Asset Management Company or Manager, as the case may be, of the **"IDLC Balanced Fund"** by virtue of the Trust Deed drawn by the Sponsor and the Trustee of the Fund.

NOW THEREFORE, with the intent to manage the **"IDLC Balanced Fund"** in particular of the Fund established by the Sponsors of the Fund from time to time for the benefit of the small investors and the development of Capital Market of Bangladesh as are entrusted to the Asset Management Company from time to time and in consideration of mutual covenants and arrangement, hereinafter set forth, it is hereby mutually agreed between the parties hereto as follows:-

- (01) The Second party shall design, structure, seek registration and custodial arrangements and publicly float and manage the Mutual Fund approved by the Trustee under the Sponsorship of the First Part, in terms of the Trust Deed as per the provisions of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউচুয়াল ফান্ড) বিধিমালা, ২০০১.
- (02) The Second party shall make public initial subscription offer and subsequent offering of the open-end Mutual Fund in the Capital Market of Bangladesh on approval from the Regulatory Authority under the applicable Laws.
- (03) The Second party shall be responsible for the management of the Fund with due approval from the Bangladesh Securities and Exchange Commission (hereinafter referred as the "BSEC" or "Commission") and in accordance with the provisions of the Fund and the বিধিমালা (Rules).
- (04) The Second party shall take all reasonable steps and exercise all with due diligence and shall ensure that the investment of the Fund is not contrary to the provisions of the Trust Deed and বিধিমালা (Rules).



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Rajib Kumar Dey
Managing Director
IDLC Asset Management Limited

H.M. ZIAUL HOSSAIN KHAN
Deputy Managing Director
IDLC Finance Limited

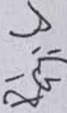
Kazi Masheuk U Haq
Chief Operating Officer
IDLC Asset Management Limited

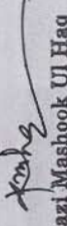
The Second party shall not undertake any business that may adversely affect or be detrimental to the interest of the Fund.


Any loss or damage or expenses resulting from negligence by the Asset Management Company or any of their officers or any person delegated / authorized by them, shall not be met, out of the Trust property.


Masud Karim Majumder, ACA
Chief Financial Officer
IDLC Finance Limited

- (07) The Second party shall ensure that no application form, or sales literature or other printed matter issued to the prospective buyers, or advertisement, or report and or announcement (other than an announcement of price or yields) addressed to the general body of unit holders, or to the public, or to the press or other communication media, is / are issued or published with contents and statement or matter extraneous to the Trust Deed or Prospectus or Offer Document of any scheme approved by the Commission or the Trustee, as the case may be, without prior approval of the Trustee and the Commission.
- (08) The Manager shall not acquire any asset for the Fund out of the Trust property, which involves the assumption of any liability that is unlimited or shall result in encumbrance of the Trust property in any way.
- (09) The Fund or the Manager on behalf of the Fund shall not give any term loan / credit facilities and / or guarantee the repayment of the same, for any purpose or undertake any activity which violates any one or more provisions of the বিধিমালা (Rules).
- (10) For securitized debts, debentures, margin or fixed deposits, the accrued interest on such instruments on the date of valuation shall be taken into account in any calculation of Net Asset Value (NAV) of such securities in the portfolio of the Fund.
- (11) For listed securities, average of the quoted closing market price on the Stock Exchange(s) on the date of valuation shall form the basis of any calculation of Net Asset Value (NAV) of such securities in the portfolio of the Fund.


Rajib Kumar Dey
 Managing Director
 IDLC Asset Management Limited


Kazi Mashook Ul Haq
 Chief Operating Officer
 IDLC Asset Management Limited


H. Ali ZIAUL HOQUE KHAN
 Deputy Managing Director
 IDLC Finance Limited


Masud Karim Majumder, ACA
 Chief Financial Officer
 IDLC Finance Limited

- (12) When the securities were not traded either at DSE or CSE on the particular valuing date, immediate previous average price, which one is nearer, but no longer than 30 days, to the valuing date will be taken into account.

When the securities were not traded either at DSE or CSE for a period for over 30 days, the Fund shall follow the method approved by the BSEC for valuation of the non-traded investment, and the Trustee shall periodically review the value of such investments.

- (14) The valuation of non-traded securities will be made with their reasonable value by the Asset Manager and approved by the Trustee and commented upon by the Auditors in the Annual Report of the Mutual Fund but shall not be more than the intrinsic value of the securities.

The valuation of non-listed securities will be made by the Asset Manager with their reasonable value and approved by the Trustee and commented upon by the Auditors in the Annual Report of the Fund.

Once non-listed securities are valued, the valued amount will be considered for purpose of valuing the Mutual Fund's assets in any interval of time until the securities are further revalued by the Asset Manager.

- (17) The Asset Manager and the Trustee will review the valuation of the non-listed securities at least after every three months and commented upon by the Auditors in the Annual Report of the Fund.
- (18) The Mutual Fund shall follow a general formula for computing the Net Asset Value (NAV) as per the বিধিমালা (Rules) and as approved by the Trustee and the Commission and shall disclose in the Prospectus or Information Memorandum of the Scheme and it shall be adequately published as per the provisions of the বিধিমালা (Rules).
- (19) The Trustee shall receive a quarterly Report from the Second Party and submit a six monthly Report to the Commission, or such other intervals as per the বিধিমালা (Rules), on the activities of the Mutual Fund.
- (20) The Trustee shall provide or cause to provide information to the unit holders and the BSEC by the Second party as per the বিধিমালা (Rules) or as may be specified by the Commission, so that it is revealed that the affairs of the Mutual Fund is being conducted as per the provision of the Trust Deed and the বিধিমালা (Rules).
- (21) The Trustee shall cause to make such disclosures by the Second Party to the investors as are essential in order to keep them informed about any information, which may have an adverse bearing on their investments.
- (22) The Trustee shall have the right to call for any books of accounts, records, documents and such other information as considered necessary from the Second Party as is relevant to the Management of the affairs of the Mutual Fund.
- (23) The Second Party shall submit to the Trustee and the BSEC quarterly activity and compliance Reports as of March 31, June 30, September 30 and December 31 within 15 days of the end of the quarter or at such intervals as may be required by the Trustee or the BSEC.

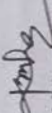
- (24) In consideration for the services rendered to the Mutual Fund under this Agreement, the Asset Manager shall be entitled to annual management fee which shall be equivalent to the maximum fee payable under বিধি ৬৫(২) of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.

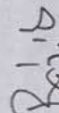
As per বিধিমালা, the initial issue expenses in respect to the scheme shall not exceed 5 (five) percent of the targeted amount of the fund raised under the scheme or any ceiling as determined by the Commission and the Asset Manager shall furnish a detailed breakdown of cost in the prospectus.

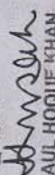
The total expenses charged to the Fund, except the amortization of initial issue expenses, including transaction cost in the form of stock brokerage against buy and sale of securities forming a part of acquisition or disposal cost of such securities, transaction fees payable to the Custodian against acquisition or disposal of securities, CDBL Charges, the annual registration fees payable to the Commission, audit fees, cost for publication of reports & periodicals, bank charge, etc, shall not exceed 4 (four) percent of the weekly average net assets outstanding during any accounting year as per বিধিমালা.

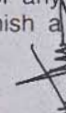
The Trustee of the Fund shall have the power to initiate the process of annulment of the appointment of the Second Party i.e. the Asset Management Company of the Mutual Fund, under specific events of breach of Trust and Investment Management Agreement and / or provisions of the বিধিমালা only, with the approval of the Commission, in accordance with the provisions of the বিধিমালা.

- (28) Any change in the appointment of the Second Party as the Asset Management Company of the Mutual Fund as well as its management shall be subject to prior approval of the BSEC.
- (29) The Second Party will disclose the Repurchase Price and the Net Asset Value (NAV) of different schemes and the method of computation of such to the investors in accordance to the time frame approved by the Trustee and the Commission.
- (30) The Second Party is prohibited to undertake any activities without prior approval of the Trustee and the Commission excepting determination of size, objective and nature of the Fund preparation of prospectus and acquiring consent of the Commission, issuance of unit certificates of the Fund, formation and management of investment portfolio, calculation of NAV, preparation, submission and dissemination of financial and other statements besides the duties and responsibilities mentioned in বিধি ৩৩ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.
- (31) Relevant provision of the বিধিমালা in general and Schedule-III of the বিধিমালা in particular shall apply for the interpretation of this Agreement and in case of any controversy as to the meaning and spirit thereof, the decision of the Commission shall be conclusive, final and binding on all concerned.


Kazi Masroor Ull Haq
Chief Operating Officer
IDLC Asset Management Limited

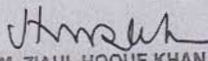
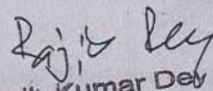
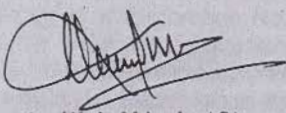
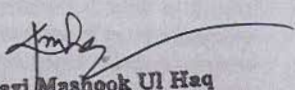

Rajib Kumar Bera
Managing Director
IDLC Asset Management Limited


H.M. ZIAUL HOQUE KHAN
Deputy Managing Director
IDLC Finance Limited


Masud Karim Majumder, ACA
Chief Financial Officer
IDLC Finance Limited

This agreement is made in three sets, one copy is retained by the Sponsor, one copy is retained with the Asset Manager and the third copy is submitted to the Bangladesh Securities & Exchange Commission.

IN WITNESS WHEREOF the Sponsor and the Asset Management Company have caused their common seals to be affixed to these presents and have hereto set their hands the day and year above written.

<p>For and on behalf of the Sponsor</p> <p>IDLC Finance Limited Bay's Galleria (1st Floor), 57 Gulshan Avenue Dhaka 1212, Bangladesh</p>	<p>For and on behalf of the Asset Management Company</p> <p>IDLC Asset Management Limited South Avenue Tower (5th Floor), Unit No. 502, House No. 50, Road No. 03, 7 Gulshan Avenue, Dhaka-1212, Bangladesh</p>
<p> Signed By H.M. ZIAUL HOQUE KHAN Deputy Managing Director IDLC Finance Limited H. M. Ziaul Hoque Khan, FCA Deputy Managing Director</p>	<p> Signed By Rajib Kumar Dey Managing Director Rajib Kumar Dey, Asset Management Limited Managing Director</p>
<p>In the witness of:</p> <p> Signed By Masud Karim Majumder, ACA Chief Financial Officer Md. Masud Karim Majumder, ACA IDLC Finance Limited DGM & Group Chief Financial Officer</p>	<p>In the witness of:</p> <p> Signed By Kazi Mashook Ul Haq Chief Operating Officer Kazi Mashook Ul Haq IDLC Asset Management Limited AGM & Chief Operating Officer</p>