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Rajib Dey  
Rajib Kumar Dey  
Managing Director  
IDLC Asset Management Limited

Managing Director  
IDLC Asset Management Limited

## INVESTMENT MANAGEMENT AGREEMENT

### IDLC ASSET MANAGEMENT SHARIAH FUND

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

THIS DEED OF INVESTMENT MANAGEMENT (hereinafter referred to as "Agreement") is made at Dhaka on this the 23<sup>rd</sup> April of the Christian era 2019.

#### BETWEEN

**Investment Corporation of Bangladesh**, a Corporation established under the Investment Corporation of Bangladesh Ordinance No. XL of 1976 (amended up to 6<sup>th</sup> July, 2000) at present the corporation is being operated under the "Investment Corporation of Bangladesh Act, 2014" having its Head Office for the time being at BDBL Bhaban (Level: 14-17), 8, Rajuk Avenue, P.S. Motijheel, Dhaka-1000, Bangladesh represented by its Managing Director Kazi Sanaul Hoq (hereinafter referred to as "The ICB" which expression shall mean and include its successors, representatives) and assigns of 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 22<sup>nd</sup> November, 2015 and licensed as Asset Manager by the Bangladesh Securities and Exchanges Commission, Dhaka, Bangladesh under বিধি ২৮ of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, having its Registered Office and Corporate Office at South Avenue Tower (5<sup>th</sup> Floor), Unit No. 502, House No. 50, Road No. 03, 7 Gulshan Avenue, Dhaka-1212, represented by its Managing Director, 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**.





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**WHEREAS**, the party of the First Part is a leading public sector financial institution and investment banker so far engaged in Portfolio Management, Merchant Banking, Fund Management, Lease Financing, Trustee and Custodian service activities and is qualified and capable to act as the Trustee of a 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 Asset Manager, as the case may be, of the **IDLC Asset Management Shariah 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 Asset Management Shariah Fund** in particular of the Fund established by the Sponsor 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 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).
- (02) 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
- (03) The Second party shall design, structure, seek registration and custodial arrangements and publicly float and manage the Mutual Fund approved by the Trustee in terms of the Trust Deed as per the provisions of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.
- (04) 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.

*Signature*  
**Kumar Dev**  
 Managing Director  
 IDLC Asset Management Limited  
 Managing Director  
 IDLC Asset Management Limited





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(05) The Second Party shall ensure the investment as per Shariah Law. In this regard, a Shariah Advisory Board will be formed to ensure the compliance of Shariah Guidance. The Shariah Advisory Board will formulate a "Shariah Investment Guideline" for the Mutual Fund and submit to the Commission.

Rajib Kumar Das  
Managing Director  
IDLC Asset Management Limited  
Managing Director  
IDLC Asset Management Limited

(06) 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, Shariah Guideline and the বিধিমালা (Rules).

(07) The Second party shall not undertake any business that may adversely affect/detrimental to the interest of the Fund.

(08) 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.

(09) 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.

(10) The Asset 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.

(11) The Fund or the Asset 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).

(12) For listed securities, the quoted closing market price in Dhaka Stock Exchange 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.



- (13) When the securities were not traded at Dhaka Stock Exchange on the particular valuing date, immediate previous average price, which one is nearer, but no longer than 30 calendar days, to the valuing date will be taken into account.
- (14) When the securities were not traded at Dhaka Stock Exchange 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.
- (15) 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.
- (16) 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 Auditor 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 First Party shall receive a quarterly Report from the Second Party and submit a Half Yearly Report to the Commission, or such other intervals as per the বিধিমালা (Rules), on the activities of the Mutual Fund.
- (20) The First Party 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 September 30, December 31, March 31 and June 30 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 under বিধি ৬৫(২) of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, payable at the end of each quarter.

Rajib Kumar Dey  
 Managing Director  
 IDLC Asset Management Limited




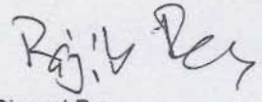
- (25) As per বিধিমালা, the initial issue expenses in respect to the scheme shall not exceed 5 (five) percent of the collected amount of the fund raised under the scheme or any ceiling as determined by the Commission and the Asset Manager shall furnish a detailed breakdown of cost in the prospectus.
- (26) 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.
- (27) The Trustee of the Fund shall have the power to initiate the process of annulment of the appointment of the Second Party, 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 Purchase Price, Surrender / 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) 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.
- (31) If any confusion arises any time about explanation of any clause of this Agreement, the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ will be conclusive for this agreement and all other documents executed in connection of this Shariah Fund and provisions of this agreement will be treated to be changed in accordance with any change or amendment of the বিধিমালা.
- (32) Notwithstanding anything stated to the contrary elsewhere in this agreement, both parties irrevocably acknowledge and affirm that a copy of this Agreement will be delivered to the Commission in compliance with the regulation of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.
- (33) Notwithstanding anything stated to the contrary elsewhere in this Agreement, both parties irrevocably and unconditionally acknowledge and affirm that the terms and conditions stipulated in schedule III of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ shall constitute an integral part and parcel of this Agreement and that in the event of any discrepancy or contradiction the terms of Schedule III of the বিধিমালা will prevail without any limitation whatsoever.

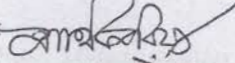
*Rajib Dey*  
**Rajib Kumar Dey**  
 Managing Director  
 IDLC Asset Management Limited

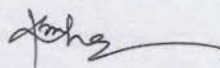


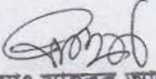
This agreement is made in three sets, one copy is retained by the Trustee, one copy is retained with the Asset Manager and the third copy is submitted to the Bangladesh Securities & Exchange Commission.

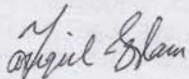
IN WITNESS WHEREOF the Sponsor and the Asset Management Company have caused their common seals to be affixed to these presents and have hereto set their hands the day and year above written.

For and on behalf of the First Party	For and on behalf of the Second Party
 Signed By <b>Kazi Sanaul Hoq</b> Managing Director Investment Corporation of Bangladesh	 Signed By <b>Rajib Kumar Dey</b> Managing Director IDLC Asset Management Limited

1. WITNESS:   
**Md. Amzad Hossain Kibria**  
Deputy General Manager  
Trustee Division  
ICB, Head Office, Dhaka.

1. WITNESS:   
**Kazi Mashook Ul Haq**  
Chief Operating Officer  
IDLC Asset Management Limited

2. WITNESS:   
**মোঃ মাহবুব আলম**  
সহকারী মহাব্যবস্থাপক  
ইনভেস্টমেন্ট কর্পোরেশন অব বাংলাদেশ  
৮, ডিআইটি এডিনিউ. সেকা।

2. WITNESS:   
**Md. Tariqul Islam**  
Compliance Officer  
IDLC Asset Management Limited