

IDLC Asset Management Shariah Fund

For the Period ended 30 September 2020

IDLC Asset Management Shariah Fund
Statement of Financial Position
As at September 30, 2020

Particulars	Notes	September 30,	June 30, 2020
		2020	
		Taka	Taka
ASSETS			
Non-Current Asset			
Preliminary and issue expenses	3	5,797,880	6,035,901
		5,797,880	6,035,901
Current Asset			
Investment in securities at market price	4	156,435,240	26,954,800
Accounts Receivables	5	9,554,665	1,756,837
Prepayments	6	677,200	700,646
Cash and cash equivalents	7	52,749,753	163,388,481
		219,416,857	192,800,764
Total Assets		225,214,737	198,836,664
OWNERS' EQUITY			
Capital Fund	8	200,949,240	201,782,710
Fair Value Reserve		13,213,234	-
Investor's Balance		83	21
Retained earnings	9	5,187,618	(4,221,380)
Total Equity		219,350,175	197,561,352
LIABILITIES			
Non-Current Liabilities			
			-
Current Liabilities			
Accounts payable	10	5,864,561	1,275,313
		5,864,561	1,275,313
Total Liabilities		5,864,561	1,275,313
Total Equity and Liabilities		225,214,737	198,836,664
Net asset value (NAV) per unit:			
At cost	11	10.26	9.95
At market price	12	10.92	9.79

The annexed notes from 1 to 19 form an integral part of these Financial Statements.


Chairman, Trustee
Investment Corporation of
Bangladesh


Member, Trustee
Investment Corporation of
Bangladesh


Asset Manager
IDLC Asset Management Limited

IDLC Asset Management Shariah Fund
Statement of Profit or Loss and Other Comprehensive Income
For the period ended on September 30, 2020

Particulars	Notes	July 01, 2020 - September 30, 2020
INCOME		
Profit earned on mudaraba deposits	13	774,731
Net gain on sale of securities	14	6,896,732
Dividend income	15	923,000
Total Income		8,594,463
EXPENDITURE		
Management fee		1,112,116
Brokerage Commission		563,439
Amortization of preliminary and issue expenses	3	238,021
Publication and other expenses		134,788
Trustee fee		90,485
BSEC annual fee		51,912
Amortization of DSE Shariah Index Fee		48,250
CDBL - Settlement and Demat charges		35,215
Custodian fee		20,519
Sales Agent Commission		1,032
Bidding fees for IPO application		3,000
Bank charges and excise duty		70,078
Total Expenditure		2,368,855
Income before provision for the period		6,225,609
Provision for diminution in value of investments	16	3,207,575
Distributable profit for the period		9,433,184
Other Comprehensive Income		
Investment Diminution Reserve		13,213,234
Total Comprehensive Income		22,646,418
Number of outstanding units		20,094,924
Earnings per unit during the period	17	0.47

The annexed notes from 1 to 19 form an integral part of these Financial Statements.


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Bangladesh


Member, Trustee
Investment Corporation of
Bangladesh

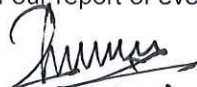

Asset Manager
IDLC Asset Management Limited

IDLC Asset Management Shariah Fund
Statement of Changes in Equity
As at September 30, 2020

Particulars	Amount in Taka				
	Capital Fund	Investment Diminution Reserve	Investor's Balances	Retained Earnings	Total Equity
Opening Balance	201,782,710	-	21	(4,221,380)	197,561,352
Sponsor's Contribution	-	-	-	-	-
Fund Collected/ (redeemed) during the period, net	(833,470)	-	-	(19,612)	(853,082)
Investor's Balances	-	-	62	-	62
Net income during the period	-	-	-	9,433,184	9,433,184
Fair Value Reserve	-	13,213,234	-	-	13,213,234
Purification of Income	-	-	-	(4,574)	(4,574)
Balance as at September 30, 2020	200,949,240	13,213,234	83	5,187,618	219,350,175

The annexed notes from 1 to 19 form an integral part of these Financial Statements.

Signed in terms of our report of even date annexed


Chairman, Trustee

Investment Corporation of Bangladesh


Member, Trustee
Investment Corporation of
Bangladesh


Asset Manager
IDLC Asset Management
Limited

IDLC Asset Management Shariah Fund
Statement of Cash Flows

For the period ended on September 30, 2020

Particulars	Notes	July 01, 2020 - September 30, 2020 <u>Taka</u>
A. Cash flows from/(used in) operating activities		
Investment in marketable securities		(189,262,100)
Investment in IPO shares		(168,540)
Proceeds from sell of marketable securities		78,910,946
Interest income realized in cash		1,853,853
Dividend income received in cash		923,000
Advance, Deposit and Prepayments		(1,115,900)
Payment made for expenses		(922,393)
Net cash used in operating activities		<u>(109,781,134)</u>
B Cash Flows from investing activities		
C. Cash flows from financing activities		
Issuance of Unit Capital, net		(828,555)
Unit Premium Reserves, net		(24,527)
Investor's Fund		62
Purification		(4,574)
Net cash flow from financing activities		<u>(857,594)</u>
D. Net cash flows (A+B)		<u>(110,638,728)</u>
E. Cash and cash equivalents at the beginning of the period		<u>163,388,481</u>
F. Cash & cash equivalents at the end of the period (A+B+C)		<u>52,749,753</u>
Net Operating Cash flow per unit for the period	18	<u>(5.46)</u>

The annexed notes from 1 to 19 form an integral part of these Financial Statements.


Chairman, Trustee
Investment Corporation of
Bangladesh


Member, Trustee
Investment Corporation of
Bangladesh


Asset Manager
IDLC Asset Management
Limited

IDLC Asset Management Shariah Fund

Notes to the Financial Statements

As at and for the period ended on September 30, 2020

1. Introduction of the Fund and its activities

1.1 Legal status and Key partners of the Fund

IDLC Asset Management Shariah Fund (here-in-after referred to as “the Fund”), a Trust property, was established on April 13, 2019 under the Trust Act, 1882 and registered under the Registration Act, 1908 and subsequently on May 23, 2019 registered as a Mutual Fund from the Bangladesh Securities and Exchange Commission with an initial target of paid-up capital of Tk. 500 million divided into 50 million units of Tk. 10.00 each under the Securities and Exchange Commission (Mutual Fund), Rules, 2001 as an Open end Mutual Fund vide registration no. BSEC/MUTUAL FUND/2019/101.

After initial public subscription of the fund, the paid-up capital of the fund was BDT 20.10 crore.

Key partners of the Fund are as Follows:

Sponsor & Asset Manager:	IDLC Asset Management Limited
Registered Address:	Symphony (Level – 04), Plot # SE (F): 9, Road # 142, Gulshan Avenue, Bir Uttam Mir Shawkat Sarak, Dhaka
Trustee:	Investment Corporation of Bangladesh (ICB)
Registered Address:	BDBL Bhaban, 8, RAJUK Avenue, Dhaka 1000, Bangladesh
Custodian::	BRAC Bank Limited
Registered Address:	Anik Tower, 220/B, Tejgaon Gulshan Link Road, Tejgaon, Dhaka 1208

1.2 Principal activities and nature of operation

IDLC Asset Management Shariah Fund is an Open end Mutual Fund which is a professionally managed portfolio of shariah complied equity stocks and fixed income instruments. Investors buy units of the Fund by paying an amount equivalent to the purchase price and the Asset Manager makes investments on their behalf. An unit represents a portion of the fund's holdings.

The target group of investors comprises both Institution and Individual. Units of the Fund may be bought / surrendered through IDLC Asset Management Limited and authorized selling agents appointed by the Asset Manager from time to time and any other procedure as prescribed by the Asset Manager. Surrender of units is allowed only through IDLC AML or the selling agents from which the units are originally purchased.

2 Objectives

The objective of the Fund is to generate profit by investing in a portfolio of Shariah compliant securities as per Shariah Investment Guideline. The fund intends to deliver the profit among the investors in the form of dividend as well as capital appreciation. The Fund will also exercise a rigorous compliance factor called “**Purification**” to remove any impure part from the final profit of the portfolio and dispose this through donation to charitable organizations. This will be a key differentiator of the Fund from other Shariah investment vehicles currently available in Bangladesh.

IDLC Asset Management Shariah Fund
Notes to the Financial Statements
As at and for the period ended on September 30, 2020

Notes	September 30, 2020	June 30, 2020
	Taka	Taka
3 Preliminary and issue expenses		
Opening Balance	(Note: 3.1) 6,035,901	6,610,256
Less: Amortized during the period	(238,021)	(574,355)
	5,797,880	6,035,901
3.1 Preliminary and issue expenses		
Formation Fees		2,010,600
Pre-formation Management Fees		2,171,193
Application & Registration Fees paid to BSEC		1,010,000
CDBL Fees		37,558
Trust Deed Registration Fees		127,779
Printing and Publication		764,538
Other Expenses		488,587
		6,610,256
4 Investment in securities at Market price		
Investment in listed securities at cost	(Note: 4.1) 143,053,466	20,162,375
Investment in Initial Public Offering (IPO)	(Note: 4.2) 168,540	10,000,000
	143,222,006	30,162,375
Add: Provision against Unrealized loss in portfolio	Annexure A 13,213,234	(3,207,575)
	156,435,240	26,954,800
4.1 Investment in listed securities at cost		
Bank	42,166,518	-
Engineering	29,000,270	-
Information Technology	5,430,440	-
Pharmaceuticals	48,054,520	-
Telecommunication	18,401,717	20,162,375
<i>Details are mentioned in Annexure A</i>	143,053,466	20,162,375
4.2 Investment in Initial Public Offering (IPO)		
Associated Oxygen Limited	168,540	-
Walton Hi-Tech Industries Limited	-	10,000,000
	168,540	10,000,000
<i>*This is application money for IPO investment under Mutual Fund quota</i>		
5 Accounts Receivables		
Dividend receivables	(Note: 5.1) 306,976	306,976
Receivables of profit on Mudaraba Term Deposits	-	1,449,861
Receivables of profit on Mudaraba Special Notice Deposit	314,049	-
Trade receivables	8,933,640	-
	9,554,665	1,756,837
5.1 Dividend receivables		
GlaxoSmithKline(GSK) Bangladesh Ltd.	306,976	306,976
6 Prepayments		
Annual fee - BSEC	137,249	189,161
DSE Shariah Index	460,039	508,290
Trustee fee	79,912	3,195
	677,200	700,646
	September 30, 2020	June 30, 2020

7 Cash and cash equivalents

		Taka	Taka
Cash at bank	(Note: 7.1)	52,749,753	33,388,481
Mudaraba Term deposits (MTD)	(Note: 7.2)	-	130,000,000
		52,749,753	163,388,481

7.1 Cash at bank

Name of Bank	Account Name	Account No.	Type	Balance	Balance
Shahjalal Islami Bank Limited	IDLC Asset Management Shariah Fund	11100000323	CA	115	1,332,039
	IDLC Asset Management Shariah Fund - Operations	11100000417	CA	6,319	44,309
	IDLC Asset Management Shariah Fund - Portfolio	11100000418	CA	-	-
Export Import Bank of Bangladesh Limited	IDLC Asset Management Shariah Fund	11313100055566	SND	1,905,233	-
	IDLC Asset Management Shariah Fund - Operations	11313100055585	SND	457,063	-
	IDLC Asset Management Shariah Fund - Trading	11313100055577	SND	50,110,815	-
Standard Chartered Bank	IDLC Asset Management Shariah Fund	01-1309915-01	CA	270,208	32,012,133
				52,749,753	33,388,481

7.2 Mudaraba Term deposits

Name of Institution	Account No.	Term		
Islami Bank Limited	2095584	3 Months	-	45,000,000
	2095585	3 Months	-	45,000,000
	2095586	3 Months	-	40,000,000
			-	130,000,000

8 Capital Fund

Opening Balance	201,782,710	-
Sponsor's Subscription	-	50,000,000
Units (redeemed)/subscribed by the General investors during the period	(833,470)	151,782,710
	200,949,240	201,782,710

9 Retained earnings

Opening balance	(4,221,380)	-
Add: Profit/(Loss) during the period	9,433,184	(4,183,593)
	5,211,804	(4,183,593)
Less: Units redeemed with realization of Fund's performance, net	(19,612)	(37,786)
	5,192,192	(4,221,380)
Less: Purification during the process	(4,574)	
	5,187,618	(4,221,380)

	September 30, 2020	June 30, 2020
	Taka	Taka
10 Accounts payable		
Management fee	1,112,116	1,038,495
Tax payable for the profit on Mudaraba Deposits	15,702	72,493
Custodian fee	34,588	33,917
Audit fee	-	34,500
CDBL fee	34,947	1,973
Payable to Investor	-	9,889
Sales Agent Commission	1,032	10,026
Payable Against Trade	4,603,938	-
Publication & Other Operational Expense	62,238	74,020
	5,864,561	1,275,313
11 Net asset value (NAV) per unit at cost		
Total Asset at Market Price	225,214,737	198,836,664
Less: Unrealized gain/(loss) in portfolio	13,213,234	(3,207,575)
Total asset value at cost	212,001,503	202,044,239
Less: Accounts payable	(5,864,561)	(1,275,313)
Total net asset value at cost	206,136,941	200,768,927
Number of units	20,094,924	20,178,271
NAV per unit at cost	10.26	9.95
12 Net asset value (NAV) per unit at market price		
Total Asset at Market Price	225,214,737	198,836,664
Less: Accounts payable	(5,864,561)	(1,275,313)
Total net asset value at market price	219,350,175	197,561,352
Number of units	20,094,924	20,178,271
NAV per unit at market price	10.92	9.79
	July 01, 2020 - September 30, 2020	November 22, 2019 - June 30, 2020
	Taka	Taka
13 Profit earned on mudaraba deposits		
Mudaraba Term Deposit (MTD)	460,683	-
Mudaraba Special Notice Deposit (MSND)	314,049	-
	774,731	-
14 Gain / (Loss) from Listed Securities		
BBS Cables Limited	78,329	-
Beximco Pharmaceuticals Limited	3,042,880	352,821
GlaxoSmithKline Bangladesh Limited	-	939,019
Grameenphone Limited	288,442	165,685
Islami Bank Bangladesh Limited	27,264	-
LafargeHolcim Bangladesh Limited	1,653,400	-
Nahee Aluminum Composite Panel Limited	(1,226,695)	-
Reckitt Benckiser (Bangladesh) Ltd.	110,712	-
Shahjibazar Power Co. Ltd	(22,844)	-
Singer Bangladesh Limited	653,453	-
Square Pharmaceuticals Limited	192,181	-
United Power Generation and Distribution Co. Limited	2,099,610	-
	6,896,732	1,457,525

	July 01, 2020 - September 30, 2020	November 22, 2019 - June 30, 2020
	Taka	Taka
15 Dividend income		
GlaxoSmithKline(GSK) Bangladesh Ltd.	-	306,976
Grameenphone Limited	923,000	-
	923,000	306,976

16 Provision/(Write back of provision) for diminution in value of investments		
Opening Balance	3,207,575	-
Required provision against diminution in value of investments at the end of the period	-	3,207,575
Add: Write Back of provision/(Provision) during the period	3,207,575	(3,207,575)

17 Earnings per Unit (EPU)		
Net income for the period (A)	9,433,184	(4,183,593)
Outstanding number of units (B)	20,094,924	20,178,271
Earnings per unit (A+B)	0.47	(0.207)

Other Comprehensive Income (OCI) is not considered for Earnings per Unit (EPU) calculation.

The NPAT and EPU would have been BDT. 6,225,609 and BDT 0.31 respectively if the recovery of previous period's provision for diminution in value of investments have not been considered in calculating the net profit (Note - 16).

18 Net Operating Cash flow per unit		
Net Operating cash flow for the period (A)	(109,781,134)	(38,356,464)
Outstanding number of units (B)	20,094,924	20,178,271
Net Operating Cash flow per unit (A+B)	(5.46)	(1.90)

19 Purification Process

Following purification will require in the distributable income (if any) of the Fund during the period ended on September 30, 2020:

Name of the Stock	Type of Income	Income Earned (Tk)	Dividend Purification Ratio*	Required purification Amount (Tk)
		(A)	(B)	(C = A x B)
Grameenphone Ltd.	Dividend	923,000	0.0042	3,876.60

* The Dividend Purification (DP) ratio is taken from Dhaka Stock Exchange Shariah Index published on July, 2020

According to the Shariah Advisory Guidelines of the Fund, the Shariah Board will decide the donation process for the required purification amount (BDT. 3,876.60) before disbursement of any dividend from the re-distributable income of the Fund.

19.1 Purification in previous periods

Name of the Stock	Type of Income	Period ended on	Amount (Taka)	Beneficiary
GlaxoSmithKline(GSK) Bangladesh Ltd.	Dividend	June 30, 2020	4,573.94	Anjuman Mufidul Islam

IDLC Asset Management Shariah Fund
Details of investment in Listed Securities
As at September 30, 2020

(Amount in Taka)

A. Investment in Listed Securities:

Sl.	Sector	Name of the Company	No. of Share	Avg. Cost	Total Cost	Market Value	Total Market Value	% of Total Assets	Unrealized Gain/ (Loss)
1	Bank	Islami Bank Bangladesh Limited	790,000	25.89	20,454,048	26.90	21,251,000	9.44%	796,952
2		First Security Islami Bank Limited	1,243,000	8.94	11,113,070	9.00	11,187,000	4.97%	73,930
3		Shahjalal Islami Bank Limited	480,000	22.08	10,599,401	21.60	10,368,000	4.60%	(231,401)
					42,166,518		42,806,000	19.01%	639,482
4	Engineering	Singer Bangladesh Limited	121,000	157.03	19,000,270	170.10	20,582,100	9.14%	1,581,830
5		Walton Hi-Tech Industries Ltd.	16,000	625.00	10,000,000	757.10	12,113,600	5.38%	2,113,600
					29,000,270		32,695,700	14.52%	3,695,430
6	Information Technology	Genex Infosys Limited	80,000	67.88	5,430,440	62.30	4,984,000	2.21%	(446,440)
					5,430,440		4,984,000	2.21%	(446,440)
7	Pharmaceuticals & Chemicals	Beximco Pharmaceuticals Ltd.	177,000	92.51	16,374,684	117.80	20,850,600	9.26%	4,475,916
8		Reckitt Benckiser(Bd.)Ltd.	4,218	3,646.84	15,382,355	3,842.20	16,206,400	7.20%	824,045
9		Square Pharmaceuticals Ltd.	85,000	191.74	16,297,481	204.00	17,340,000	7.70%	1,042,519
					48,054,520		54,397,000	24.15%	6,342,480
10	Telecom	Grameenphone Ltd.	64,800	283.98	18,401,717	330.00	21,384,000	9.49%	2,982,283
					18,401,717		21,384,000	9.49%	2,982,283
	Sub-Total				143,053,466		156,266,700	69.39%	13,213,234
	B. Investment in Initial Public Offering (IPO)								
		Associated Oxygen Limited			168,540		168,540	0.07%	-
	Grand Total				143,222,006		156,435,240	69.46%	13,213,234