

IDLC Balanced Fund

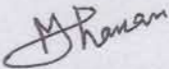
For the Period ended September 30, 2020

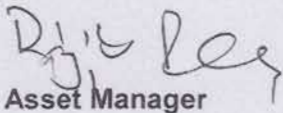
IDLC Balanced Fund
Statement of Financial Position
As at September 30, 2020

Particulars	Notes	September 30,	June 30, 2020
		2020	
		Taka	Taka
ASSETS			
Non-Current Asset			
Preliminary and issue expenses	3	4,662,704	4,971,982
		<u>4,662,704</u>	<u>4,971,982</u>
Current Asset			
Investment in securities at market price	4	590,568,468	326,658,495
Accounts Receivables	5	11,521,481	3,648,730
Advance and Prepayments	6	644,701	618,831
Cash and cash equivalents	7	80,495,687	268,160,555
		<u>683,230,337</u>	<u>599,086,611</u>
Total Assets		<u>687,893,041</u>	<u>604,058,593</u>
OWNERS' EQUITY			
Capital Fund	8	658,398,000	674,059,330
Unit Premium Reserves		2,045,316	2,249,839
Investor's Balances		1,352	1,383
Fair Value Reserve		18,470,230	
Retained earnings	9	2,088,044	(76,206,441)
Total Equity		<u>681,002,943</u>	<u>600,104,111</u>
LIABILITIES			
Non-Current Liabilities			
		-	-
Current Liabilities			
Accounts payable	10	6,890,099	3,954,482
		<u>6,890,099</u>	<u>3,954,482</u>
Total Liabilities		<u>6,890,099</u>	<u>3,954,482</u>
Total Equity and Liabilities		<u>687,893,041</u>	<u>604,058,593</u>
Net asset value (NAV) per unit:			
At cost	11	10.06	9.76
At market price	12	10.34	8.90

The annexed notes from 1 to 21 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 Balanced Fund
Statement of Profit or Loss and Other Comprehensive Income
For the period ended on September 30, 2020

Particulars	Notes	July 01 -	July 01 -
		September 30, 2020	September 30, 2019
		Taka	Taka
INCOME			
Interest income	16	3,997,698	7,829,270
Net gain on sale of securities	17	19,401,892	(17,027,457)
Dividend income	18	3,003,000	2,961,440
Total Income		26,402,589	(6,236,748)
EXPENDITURE			
Management fee		2,647,373	2,845,108
Brokerage Commission		1,404,885	596,491
Amortization of preliminary and issue expenses	3	309,278	309,278
Trustee fee		282,754	365,804
Custodian fee		274,295	198,230
BSEC annual fee		165,559	180,799
Tax deducted at source		199,884	301,962
Publication and other expenses	19	146,037	244,275
Bank charges and excise duty		78,703	27,880
Sales Agent Commission		8,019	13,501
CDBL - Settlement and Demat charges		87,805	37,281
Total Expenditure		5,604,590	5,120,609
Income before provision for the period		20,797,999	(11,357,357)
Write back of Provision for diminution in value of investments	20	57,496,486	4,106,496
Net income for the period		78,294,485	(7,250,861)
Other Comprehensive Income			
Fair Value Reserve		18,470,230	1,518,957
Total Comprehensive Income		96,764,715	(5,731,904)
Earnings per unit during the period	21	1.19	(0.10)

The annexed notes from 1 to 21 form an integral part of these Financial Statements.


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Asset Manager
IDLC Asset Management Limited

IDLC Balanced Fund
Statement of Changes in Equity
For the period ended on September 30, 2020

Particulars	Amount in Taka					
	Capital Fund	Unit Premium	Investor's Balances	Fair Value Reserve	Retained Earnings	Total Equity
Opening Balance	674,059,330	2,249,839	1,383	-	(76,206,441)	600,104,111
Sponsor's Contribution Fund Collected/ (redeemed) during the period, net	(15,661,330)	(204,523)	-	-	-	(15,865,853)
Investor's Balances	-	-	(31)	-	-	(31)
Net income during the period	-	-	-	-	78,294,485	78,294,485
Fair Value Reserve	-	-	-	18,470,230	-	18,470,230
Balance as at September 30, 2020	658,398,000	2,045,316	1,352	18,470,230	2,088,044	681,002,943

Statement of Changes in Equity
For the year ended on September 30, 2019

Opening Balance	734,204,550	-	6,015	-	54,538,783	788,749,347
Sponsor's Contribution Fund Collected/ (redeemed) during the period, net	(30,044,240)	137,349	-	-	-	(29,906,790)
Investor's Balances	-	-	101	-	-	-
Net income during the year	-	-	-	-	(7,250,861)	(7,250,861)
Fair Value Reserve	-	-	-	1,518,957	-	1,518,957
Dividend paid during the period	-	-	-	-	(51,394,319)	(51,394,319)
Balance as at September 30, 2019	704,160,310	137,349	6,115	1,518,957	(4,106,397)	701,716,334

The annexed notes from 1 to 21 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 Balanced Fund
Statement of Cash Flows

For the period ended on September 30, 2020

Particulars	July 01 - September 30, 2020	July 01 - September 30, 2019
Particulars	Taka	Taka
A. Cash flows from/(used in) operating activities		
Investment in marketable securities	(432,200,756)	(135,257,883)
Investment in IPO shares	(168,540)	-
Proceeds from sell of marketable securities	259,353,830	149,764,114
Interest income realized in cash	3,790,486	5,113,002
Dividend income received in cash	3,003,000	2,961,440
Advance and Prepayments	(474,182)	(672,132)
Payment made for expenses	(4,851,431)	(3,761,269)
Net cash used in operating activities	(171,547,593)	18,147,273
B Cash Flows from investing activities	-	-
C. Cash flows from financing activities		
Redemption of Unit Capital, net	(15,661,330)	(46,199,400)
Unit Premium Reserves, net	(204,523)	428,142
(Payable settled with)/Payable to Investors	(251,391)	(5,195,139)
Investor's Fund	(31)	101
Dividend paid for the period	-	(28,587,325)
Net cash flow from financing activities	(16,117,274)	(79,553,621)
D. Net cash flows (A+B+C)		(61,406,348)
E. Cash and cash equivalents at the beginning of the period	268,160,554	303,858,287
F. Cash & cash equivalents at the end of the period	80,495,687	242,451,939
Net Operating Cash flow per unit for the period	(2.61)	0.26

The annexed notes from 1 to 21 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 Balanced Fund

Notes to the Financial Statements

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

1.00 Introduction of the Fund and its activities

1.01 Legal status and Key partners of the Fund

IDLC Balanced Fund (here-in-after referred to as “the Fund”), a Trust property, was established on February 05, 2017 under the Trust Act, 1882 and registered under the Registration Act, 1908 and subsequently on March 07, 2017 registered as a Mutual Fund from the Bangladesh Securities and Exchange Commission with an initial 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/2017/77.

Investment Corporation of Bangladesh (ICB), the Trustee of the Fund, in its 170th meeting held on July 18, 2017 approved the size of the Fund to be increased upto Tk. 1,500 million.

Key partners of the Fund are as Follows:

Sponsor: IDLC Finance Limited

Registered Address: Bay's Galleria (1st Floor), 57 Gulshan Avenue, Dhaka 1212

Trustee & Custodian: Investment Corporation of Bangladesh (ICB)

Registered Address: BDBL Bhaban, 8, RAJUK Avenue, Dhaka 1000, Bangladesh

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 1212.

1.02 Principal activities and nature of operation

IDLC Balanced Fund is an Open end Mutual Fund which is a professionally managed portfolio of equity stocks and fixed income instruments. Investors buy units of the Fund and the Asset Manager pools that money to make investments on their behalf. An unit represents a portion of the fund's holdings.

The target group of investors comprises both Institute 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.

2.00 Objectives

The objective of the IDLC Balanced Fund is to generate capital appreciation along with current income in the form of dividend from a combined portfolio of equity, debt and money market instruments.

		September 30, 2020	June 30, 2020
	Notes	Taka	Taka
3 Preliminary and issue expenses			
Opening Balance	(Note: 3.1)	4,971,982	6,202,371
Less: Amortized during the period		(309,278)	(1,230,389)
		4,662,704	4,971,982
3.1 Preliminary and issue expenses			
Formation Fees		5,000,000	5,000,000
Management Fees		3,200,000	3,200,000
Application & Registration Fees paid to BSEC		1,010,000	1,010,000
CDBL Fees		40,000	40,000
Trust Deed Registration Fees		160,870	160,870
Printing and Publication		852,559	852,559
Bank Charges		31,305	31,305
		10,294,733	10,294,733
Less: Interest income from Escrow Account		(1,705,542)	(1,705,542)
		8,589,191	8,589,191
Less: Amortized balance		(3,617,209)	(2,386,820)
Opening balance		4,971,982	6,202,371
4 Investment in securities at market price			
Investment in listed securities at cost	(Note: 4.01)	571,929,698	374,154,982
Investment in Initial Public Offering (IPO)	(Note: 4.02)	168,540	10,000,000
Investment at cost value		572,098,238	384,154,982
Less: Unrealized gain / (loss) in portfolio		18,470,230	(57,496,486)
Investment at market value		590,568,468	326,658,495
<i>Please see Annexure A for Details calculation.</i>			
4.1 Investment in listed securities			
Bank		111,939,614	-
Corporate Bond		59,074,613	59,074,613
Engineering		43,899,274	33,955,971
Financial Institution		48,750,594	-
Food & Allied		55,194,574	24,042,338
Fuel & Power		11,767,993	61,067,987
Information Technology		-	-
Mutual Fund		48,216,384	48,216,384
Pharmaceuticals		119,572,245	62,039,636
Telecommunication		73,461,879	85,705,526
Textile		-	-
Travel & Leisure		52,526	52,526
		571,929,698	374,154,982
<i>Details are mentioned in Annexure A</i>			
4.2 Investment in IPO*			
Walton Hi-Tech Industries Limited		-	10,000,000
Associated Oxygen Limited		168,540	-
		168,540	10,000,000

**This is application money for IPO investment under Mutual Fund quota.*

		September 30, 2020	June 30, 2020
	Notes	Taka	Taka
5 Accounts Receivables			
Accrued Interest	(Note: 5.1)	3,855,942	3,648,730
Accounts receivable - Sale of Securities		7,665,539	
		<u>11,521,481</u>	<u>3,648,730</u>
5.1 Accrued Interest			
Accrued Interest on Fixed Deposits		-	1,154,592
Accrued Interest on Listed Bonds		3,418,931	2,494,138
Accrued Interest on Bank Accounts		437,010	-
		<u>3,855,942</u>	<u>3,648,730</u>
6 Advance and Prepayments			
Annual fee - BSEC		409,865	575,424
Trustee fee		234,836	43,407
		<u>644,701</u>	<u>618,831</u>
7 Cash and cash equivalents			
Cash at bank	(Note: 7.1)	80,495,687	41,561,256
Term Deposits (FDR)	(Note: 7.2)	-	226,599,299
		<u>80,495,687</u>	<u>268,160,555</u>

7.1 Cash at bank

Name of Bank	Account Name	Account No.	Type		
Southeast Bank Limited	IDLC Balanced	13500000001	SND	14,689	14,689
	IDLC Balanced Fund - Trading	13500000003	SND	7,490	7,490
	IDLC Balanced Fund - Operations	13500000004	SND	27,209	27,209
BRAC Bank Limited	IDLC Balanced Fund	1203957267003	CA	319,509	5,421,924
	IDLC Balanced Fund - Trading	1203957267001	CA	79,133,276	26,434,460
	IDLC Balanced Fund - Operations	1203957267002	CA	35,150	2,046,436
ONE Bank Ltd.	IDLC Balanced Fund - Trading	0013000002076	SND	1	2,190,052
Standard Chartered Bank	IDLC Balanced Fund	02-1308406-01	CA	958,364	5,418,996
				<u>80,495,687</u>	<u>41,561,256</u>

			September 30, 2020	June 30, 2020
			Notes	Taka
7.2 Term Deposits				
Name of Institution	Term	Account No.		
IDLC Finance Limited	3 Months	10552236450758	-	40,752,611
	3 Months	10552236450759	-	45,846,688
	3 Months	10552236450760	-	45,000,000
	3 Months	10552236450761	-	7,500,000
	3 Months	10552236450762	-	7,500,000
	3 Months	10552236450763	-	47,000,000
	3 Months	10552236450769	-	8,250,000
	3 Months	10552236450770	-	8,250,000
	3 Months	10552236450771	-	8,250,000
	3 Months	10552236450772	-	8,250,000
			-	226,599,299
8 Capital Fund				
Opening Balance			674,059,330	734,204,550
Units subscribed by the General investors during the period			3,272,060	58,013,340
Units redeemed by the General investors during the period			(18,933,390)	(118,158,560)
			658,398,000	674,059,330
9 Retained earnings				
Opening balance			(76,206,441)	54,538,782
Less: Dividend paid during the period			-	(51,394,319)
			(76,206,441)	3,144,463
Add: Profit during the period			78,294,485	(79,350,905)
			2,088,044	(76,206,441)
Less: Units redeemed with realization of Fund's performance				-
			2,088,044	(76,206,441)
10 Accounts payable				
Management fee			2,647,372	2,476,933
Trade payables			3,213,214	
Payable to Investor			472,461	723,852
Custodian fee			246,415	391,550
Provision for TDS on Interest Income			192,797	182,437
Publication & Other Operational Expense			18,738	75,520
Sales Agent Commission			8,018	55,411
Audit fee			-	34,500
CDBL fee			83,233	6,431
Dividend unclaimed			7,850	7,850
			6,890,099	3,954,482

	September 30, 2020	June 30, 2020
Notes	Taka	Taka
11 Net asset value (NAV) per unit at cost		
Total Asset at Market Price	687,893,041	604,058,593
Less: Unrealized gain/(loss) in portfolio	18,470,230	57,496,486
Total asset value at cost	669,422,811	546,562,106
Less: Accounts payable	(6,890,099)	(3,954,482)
Total net asset value at cost	662,532,712	542,607,624
Number of units	65,839,800	67,405,933
NAV per unit at cost	10.06	8.05
12 Net asset value (NAV) per unit at market price		
Total Asset at Market Price	687,893,041	604,058,593
Less: Accounts payable	(6,890,099)	(3,954,482)
Total net asset value at market price	681,002,943	600,104,111
Number of units	65,839,800	67,405,933
NAV per unit at market price	10.34	8.90
13 Net Operating Cash flow per unit		
Net Operating cash flow for the period (A)	(171,547,593)	18,147,273
Outstanding number of units (B)	65,839,800	70,416,031
Net Operating Cash flow per unit (A÷B)	(2.61)	0.26

	July 01 - September 30, 2020	July 01 - September 30, 2019
Notes	Taka	Taka
16 Interest income		
Term Deposit (FDR)	3,560,687	5,161,960
Cash at Bank (STD Account)	437,010	2,667,310
	3,997,698	7,829,270
17 Gain / (Loss) from Listed Securities		
Asian Tiger Sandhani Life Growth Fund	-	5,834,425
BBS Cables Limited	129,858	-
Beximco Pharmaceuticals Limited	7,828,778	-
BRAC Bank Limited	3,323,339	(859,879)
British American Tobacco bangladesh Co. Limited	819,658	-
Coppertech Industries Limited	66,772	319,630
Dhaka Bank Limited	-	(6,521,465)
Grameenphone Limited	(1,322,913)	(1,022,576)
Green Delta Mutual Fund		44,551
Ifad Autos Limited		(18,070,450)
Jamuna Bank Limited	(145,600)	-
LafargeHolcim Bangladesh Limited	2,062,175	-
Mercantile Bank Limited	(507,388)	-
ONE Bank Limited	155,462	-
Reckitt Benckiser (Bangladesh) Ltd.	86,507	-
Renata Limited	2,051,830	225,218
Seapearl Beach Resort & Spa Limited	-	182,381
Singer Bangladesh Limited	-	2,612,006
Square Pharmaceuticals Limited	-	(384,437)
Summit Power Limited	1,319,829	613,140
The City Bank Limited	3,533,586	-
	19,401,892	(17,027,457)
18 Dividend income		
DBH First Mutual Fund	-	613,984
Grameenphone Limited	3,003,000	1,930,374
Green Delta Mutual Fund	-	417,082
	3,003,000	2,961,440
19 Publication and other expenses		
Printing and publication expenses	74,862	219,275
CDBL Annual maintenance fees	52,900	-
Other operational expenses	15,275	25,000
IPO subscription fees	3,000	-
	146,037	244,275

Notes	July 01 - September 30, 2020 Taka	July 01 - September 30, 2019 Taka
20 Provision/(Write back of provision) for diminution in value of investments		
Unrealized gain/ (loss) in Portfolio at the end of the period	18,470,230	(62,465,243)
Add: Provision for unrealized loss in Listed Mutual Funds at Market price	-	8,585,584
	18,470,230	(53,879,659)
Less: Provision for unrealized loss in Listed Mutual Funds revalued at 85% of NAV of respective Mutual Funds	-	(3,616,827)
Opening balance for the period	57,496,486	4,106,496
Less: Required (provision) against diminution in value of investments at the end of the period	-	(57,496,486)
Provision write back/(required) for the period in Profit or Loss statement	57,496,486	(53,389,990)

Please see Annexure A for Details calculation.

21 Earnings per unit

Net income for the period (A)	78,294,485	(7,250,861)
Outstanding number of units (B)	65,839,800	70,416,031
Earnings per unit (A÷B)	1.19	(0.10)

The Earnings per unit increases from previous period mainly due to release of provision for erosion of value of securities.

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

The NPAT and EPU would have been BDT. 20,797,999 and BDT 0.32 respectively if the recovery of previous periods' provision for diminution in value of investments have not been considered in calculating the net profit (Note - 20).

IDLC Balanced Fund
Details of investment in Listed Securities
As at September 30, 2020

(Amount in Taka)

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	EXIM Bank Limited	1,690,000	11.30	19,094,827	11.10	18,759,000	2.73%	(335,827)
2		Mercantile Bank Limited	975,000	12.96	12,640,246	12.50	12,187,500	1.77%	(452,746)
3		One Bank Limited	1,690,000	11.27	19,042,887	10.90	18,421,000	2.68%	(621,887)
4		The City Bank Limited	2,547,000	24.01	61,161,653	25.30	64,439,100	9.37%	3,277,447
				111,939,614		113,806,600		16.54%	1,866,986
5	Bond	Ashuganj Power Station Company Limited's non convertible Bond	11,869	4.977	59,074,613	5,100	60,531,900	8.80%	1,457,287
6	Engineering	Singer Bangladesh Limited	190,000	178.42	33,899,274	170.10	32,319,000	4.70%	(1,580,274)
7		Walton Hi-Tech Industries Limited	16,000	625.00	10,000,000	757.10	12,113,600	1.76%	2,113,600
				43,899,274		44,432,600		6.46%	533,326
8	Financial Institution	Investment Corporation of Bangladesh	468,160	104	48,750,594	99.70	46,675,552	6.79%	(2,075,042)
				48,750,594		46,675,552		6.79%	(2,075,042)
9	Food & Allied	British American Tobacco Bangladesh Company Ltd.	59,467	928.15	55,194,574	1,120.60	66,638,720	9.69%	11,444,146
10	Fuel & Power	Summit Power Limited	290,500	40.51	11,767,993	42.30	12,288,150	1.79%	520,157
				11,767,993		12,288,150		1.79%	520,157
11	Mutual Funds	DBH First Mutual Fund	1,966,937	8.30	16,332,892	7.90	15,538,602	2.26%	(794,090)
12		Green Delta Mutual Fund	4,009,067	7.95	31,883,493	7.90	31,671,629	4.60%	(211,863)
				48,216,384		47,210,432		6.86%	(1,005,953)
13	Pharmaceuticals	Beximco Pharmaceuticals Limited	575,210	95.41	54,881,694	117.80	67,759,738	9.85%	12,878,044
14		Square Pharmaceuticals Ltd.	320,000	202.16	64,690,551	204.00	65,280,000	9.49%	589,449
				119,572,245		133,039,738		19.34%	13,467,493
15	Telecom	Grameenphone Ltd.	198,000	371.02	73,461,879	330.00	65,340,000	9.50%	(8,121,879)
				73,461,879		65,340,000		9.50%	(8,121,879)
16	Travel & Leisure	Seapearl Beach Resort & Spa Ltd.	5,515	9.52	52,526	79.10	436,237	0.06%	383,710
				52,526		436,237		0.06%	383,710
	Sub-Total			571,929,698		590,399,928		85.83%	18,470,230
	B. Investment in Initial Public Offering (IPO)	Associated Oxygen Limited			168,540		168,540	0.0%	-
	Grand Total			572,098,238		590,568,468		85.85%	18,470,230