

**DIVIDEND DISTRIBUTION POLICY**  
**OF**  
**IDLC ASSET MANAGEMENT LIMITED**  
**MANAGED MUTUAL FUNDS**

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## 1. PREAMBLE

### 1.1. Introduction

IDLC Asset Management Limited (IDLCAML), a wholly owned subsidiary of IDLC Finance Limited, is a leading asset management company in Bangladesh. Incorporated with the Registrar of Joint Stock Companies (RJSC) vide registration no. C-127068/2015 dated November 22, 2015 under the companies Act, 1994, and licensed by Bangladesh Securities and Exchange Commission (hereinafter referred to as ‘Commission’ or ‘BSEC’) on June 07, 2016 vide registration code: BSEC/Asset Manager/2016/25 to be established as a company and to operate as a full-fledged asset management company respectively.

IDLCAML manages mutual funds as per *Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2025*.

### 1.2. Purpose

This Dividend Distribution Policy (the ‘Policy’) has been formulated by IDLC Asset Management Limited (hereinafter referred to as the ‘Asset Manager’) to stipulate the criteria and parameters that are to be considered by:

- The Board of Trustees of the mutual fund(s) while deciding on the declaration of Dividend from time to time,
- The Asset Manager of the mutual fund(s), while deciding on the manner in which the Company will disburse/distribute the dividend to the unit holders of the mutual funds.

This Policy is applicable in the matter of dividend declaration/recommendation on the units of any scheme of IDLCAML’s Mutual Funds.

### 1.3. Scope of the Policy

This Policy is aimed at meeting the expectations of the unit holders by giving the unit holders the scope of taking better investment decisions with a knowledge of whether or not their expectations will be effectively met by the issuer/trustee. In this manner, this Policy is designed to bridge any gap between the expectations of the unit holders and the ideology of issuer/trustee in respect of the payment of dividend and establish a balance between the dual objectives of appropriately rewarding unit holders through dividends and retaining profits so that a healthy reserve is maintained to support future growth.



#### 1.4. Amendment of the Policy

This Dividend Distribution Policy will be amended, revised, refined, and readjusted as deemed necessary by the asset manager to accommodate related changes in the Capital Markets condition, government policy, BSEC Regulations/Directives/Orders. For this purpose, the Asset Manager will review this policy at least once every two (02) years and make necessary amendments.

## 2. LEGAL FRAMEWORK

Bangladesh Securities and Exchange Commission vide its Directive, “BSEC/CMRRCD/2021-386/03”, dated January 14, 2021, has directed the stock exchange(s), the depository, the issuer of listed & OTC securities and the issuer or the asset manager or the trustee of any scheme of a mutual fund to formulate a Dividend Distribution Policy.

## 3. EFFECTIVE DATE

This Policy shall become effective immediately.

## 4. APPLICABILITY

4.1. This Policy will be applicable in respect of the distribution of annual/interim dividend(s) of IDLCAML’s Mutual Funds declared by the board of trustees of the fund(s).

4.2. This Policy will not be applicable in the determination and/or calculation of dividend on any scheme of any mutual fund or fund(s) other than mutual fund(s) managed by the Asset Manager.

## 5. DIVIDEND DISTRIBUTION

5.1. Dividend declaration and disbursement for any mutual fund(s) will be in accordance with the applicable provisions of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫, along with the relevant Rules and Directives framed from time to time and the opinion of the board of trustees of the respective fund(s).

5.2. The board of trustees may declare an annual or interim dividend as it deems so;

5.3. The following minimum dividend will be distributed from realized income at the end of each accounting year, either in cash (Bangladeshi Taka) or through the Cumulative Investment Plan (CIP), according to the investors’ preference.

Fund Name	Minimum % of Realized Income to be Distributed
IDLC Income Fund	Minimum 70%



Fund Name	Minimum % of Realized Income to be Distributed
IDLC Growth Fund	Minimum <b>30%</b>
IDLC Asset Management Shariah Fund	Minimum <b>50%</b>
IDLC Balanced Fund	Minimum <b>50%</b>

5.4. The Annual or Interim Dividend on any scheme of a mutual fund shall be paid off/disbursed by the Asset Manager of the Fund to entitled unit-holders within 30 (thirty) days of approval by the board of trustees.

5.5. As per Clause 79(III) of the *Mutual Fund Rules, 2025* the fund(s) shall create and maintain a Dividend Equalization Reserve to ensure consistency in dividend distribution. The amount allocated to such reserve shall be a minimum of 5% of the net income of the respective fund for the relevant accounting year.

5.6. Cash dividend shall be distributed in the following manner and procedures, namely:-

5.6.1. (a) In the event of declaration of an annual / final / interim cash dividend in a financial year, the Board of Trustees of a fund shall ensure that the total amount declared as cash dividend (declared amount) is transferred and kept in a separate bank account (dividend account), maintained solely for the payment/disbursement of dividend. This transfer must be completed immediately after 01 (one) day of the declaration date by the Board of Trustees in its meeting. Provided further that the fund(s) shall obtain a certificate confirming the transfer of the declared amount to the dividend account from the concerned bank. The said certificate shall be attested by the Fund Manager and submitted to the Commission.

5.6.2. The Asset Manager shall disburse cash dividend directly to the Bank Accounts, Mobile Financial Services (MFS), or Digital Bank of the entitled unit holders as available in the BO account maintained with the depository participant (DP), or the bank accounts as provided by the unit holders in paper form, through Bangladesh Electronic Fund Transfer (BEFTN). Provided that the Asset Manager may pay off such cash dividend through bank transfer or any electronic payment system as recognized by Bangladesh Bank, if not possible to pay off through BEFTN.

5.6.3. The Asset Manager, in case of non-availability of bank account, MFS or digital bank information, or if it is not possible to distribute cash dividend through BEFTN or any electronic payment system, shall issue a cash dividend warrant and shall send it by post to the unit holder(s);



5.6.4. The Asset Manager shall pay off cash dividend to non-resident unit holder(s) or foreign portfolio investor (FPI) through the security custodian in compliance with the rules or regulations in this regard;

5.6.5. The Asset Manager, immediately after disbursement of cash dividend and issuance a certificate of tax deducted at source (if applicable), shall send a letter of intimation to the unit holders through a short message service (SMS) to the mobile number or email address as provided by the unit holders. The letter of intimation shall include the amount of dividend disbursed, date of disbursement, details of tax deducted at source (if applicable), and the particulars of the bank account, Mobile Financial Services (MFS) account, or Digital Bank account through which the dividend has been paid.

5.6.6. The Asset Manager shall maintain detailed information of unpaid or unclaimed dividend and rationale thereof, as per BO account number-wise or name wise or folio number-wise of the unit holders; and shall also disclose the summary of aforesaid information in the annual report and shall also report in the statements of financial position (quarterly/annually) as a separate line item ‘Unclaimed Dividend Account’: Provided that the Asset Manager shall publish the year wise summary of this unpaid or unclaimed dividend in the website:

5.7. The Asset Manager shall submit **Dividend Distribution Compliance Report** to the Commission, Trustee and Custodian in a specified format provided in **Annexure-A** of BSEC Directive No. **BSEC/CMRRCD/2021-386/03** within 7 (seven) working days of completion of dividend distribution provided that the Asset Manager shall publish the compliance report in its website.

5.8. The issuer/fund(s)/Asset Manager shall not forfeit any unclaimed cash dividend till the claim becomes barred by the law of land in force.

5.9. If any cash dividend remains unpaid or unclaimed or unsettled including accrued interest (after adjustment of bank charge, if any) thereon for a period of three years from the date of declaration or approval or record date, as the case may be, shall be transferred by the issuer/Asset Manager to the Capital Market Stabilization Fund as directed or prescribed by the Commission:

Provided that if any unit holder claims his/her cash dividend after transfer of such dividend to the Capital Market Stabilization Fund, within 15 (fifteen) days of receiving such claim, the Capital Market Stabilization Fund shall, after proper verification of the claim shall pay off such cash dividend to the claimant in accordance with the provisions and procedures as directed or prescribed by the Commission.



5.10. The Asset Manager shall maintain updated information of the unit holders’ BO account, bank account, mobile phone number, and email address as and when required.

## **6. DISCLOSURE**

The key provisions of this policy will be disclosed in the annual report and on the official website of the Asset Manager, in accordance with the applicable Regulations and Directives.

## **7. POLICY REVIEW**

The Asset Manager may bring changes or modification to this Policy from time to time in pursuance of regulations, directives or any amendment made by the Commission or any other relevant law for the time being in force.

## **8. DISCLAIMER**

Through this document, IDLCAML does not guarantee any returns (in any form) for investments in the mutual funds. Any related regulatory orders will supersede anything mentioned herein.