

ANNUAL REPORT OF CL Balanced Fund The state of the sta

2017-18







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IMPRESS CAPITAL LIMITED

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ANNUAL REPORT 2017-18

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Dear Unit Holders/Well-wishers:

Please accept best compliments from Impress Capital Limited.

I, on behalf of the board of directors, would like to present you the Annual Report of ICL Balanced Fund, 2017-18 (the period between July 2017 to June 2018) and thank you for believing in ICL and investing with us.

ICL was formed in 2014, with a vision to be the most respected and trusted wealth management institution in Bangladesh, and to contribute positively to its stakeholders' lives, continuously by operating in a sustainable and ethical manner.

ICL launched the ICL Balanced Fund, first of its kind in Bangladesh, an open-ended style based mutual fund in August 2016. Successfully, since then till the end of June 2018, your Fund has generated a total return of 23%, including BDT 0.5 per unit of cash dividend which was paid during 2016-17. I would like to happily announce a cash dividend of BDT 0.8 per unit, for the unit holders of ICL Balanced Fund for the period of 2017-18.

ICL always intends to offer complete investment solution to the Investors in Bangladesh, mainly the hardworking individuals having lack of options to invest beyond traditional fixed deposit schemes. With that in mind, ICL continuously improvise to bring new investment solutions for individuals across every sphere of life. As a result, in April 2018, ICL has launched its 2nd open-end mutual fund namely "BCB ICL Growth Fund", to offer a suitable investment option for individuals with above average risk-taking ability. You will be even happier to know that, our offerings are not going to end here.

ICL believes that investing a large sum of money at one go may not always be suitable for many of our existing and prospective valuable unit holders. Keeping this in mind, in the year 2018, ICL has introduced a systematic investment plan (SIP), where you will enjoy the flexible option to invest a fixed amount on a periodic basis. It allows you to invest in multiple of BDT 1,000 and you will enjoy a discount of 1% from the Net Asset Value (NAV) per unit upon investments.

ICL would like to serve your investment needs for many years to come. In future, we have plans to offer more solutions to meet your specific investment objectives. We are also working on digital solutions to offer you better services in the days to come.

Thank You once again, for your faith upon us. We promise to live up to your expectations throughout the entire journey.

Warm and Kind Regards,

Reaz Ahmed Khan Chairman Impress Capital Limited



KNOW YOUR ASSET MANAGER



I. OVERVIEW ON ICL

Impress Capital Limited (ICL), an emerging wealth management firm in Bangladesh, was incorporated as a private limited company on June 11, 2014 under the Company's Act, 1994.

As a wealth management company, ICL's principle activities are primary investment management, secondary investment management and providing advisory services. Apart from these, the company has its own equity investments. Bangladesh Securities and Exchange Commission (BSEC) thereafter issued an asset management license in favor of ICL effective from February 2, 2015 and registration certificate to act as the fund manager to Alternative Investment Funds in August 3, 2017. The company is presently operating with an authorized capital of BDT 500 million and paid-up capital of BDT 100 million. The corporate office of the company is located at Evergreen Plaza (1st Floor), 260/B, Tejgaon I/A, Dhaka 1208.

In October 2017, a reputed credit rating agency, Credit Rating Information and Services Limited (CRISL), rated your asset manager, with the following entity ratings which is valid up to October 2018.

Long Term: A-Short Term: ST-3

II. BRIEF ON PRODUCTS AND SERVICES OFFERED BY ICL

Primary Investment Management

Impact Fund:

Build Bangladesh Impact Fund: ICL signed a memorandum of understanding (MOU) with United Nations Development Program (UNDP) on August 09, 2017 with intention to launch a USD 100 million Impact Fund, subject to the approval of the regulator(s).

The fund is expected to be raised from the global investors and will be invested in equity and equity linked securities of mainly non-listed companies of Bangladesh.



Secondary Investment Management

Mutual Funds:

ICL Balanced Fund: A 'Balanced Style' open-end mutual fund with objective to generate capital appreciation as well as regular income by investing in the capital market and money market instruments.

BCB ICL Growth Fund: A 'Growth Style' open-end mutual fund with objective to identify and invest in listed undervalued companies with high and sustainable growth potential over long-term, to increase the value of Investors' wealth.

Institutional Investment:

ICL Value: A 'Customized' secondary investment management product for institutions with objective to invest mainly in listed capital market equity instruments for long term, based on its objectives and rigorous investment research.

ICL Meraj: A 'Customized Islamic Shariah Compliant' secondary investment management product for institutions with objective to invest mainly in Shariah complied investments.

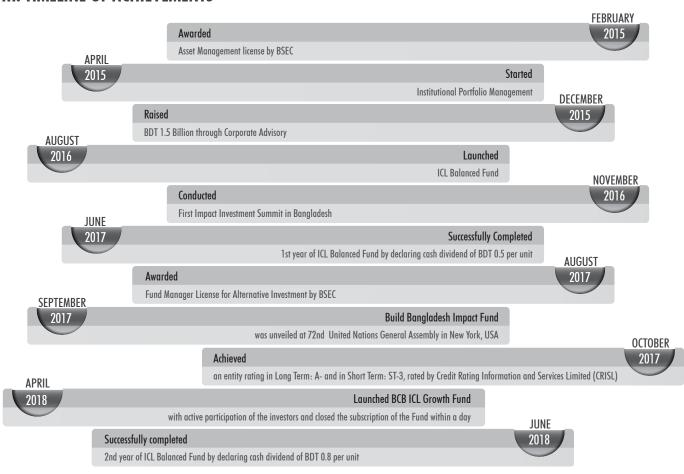
Advisory Lead

ICL offers a broader umbrella of Financial Advisory Services namely Structured Finance, Capital Restructuring, Valuation and Appraisal for Private Companies





III. TIMELINE OF ACHIEVEMENTS







IV. ETHICAL STANDARD OF YOUR ASSET MANAGER

Your asset manager, ICL, upholds highest ethical standards, which is very important in the wealth management industry to provide best services to you. Following ethical standards adopted by ICL are illustrated below:

1. Rigorous Research

ICL can ensure best services to the clients in terms of wealth management since it nurtures a vibrant research team. The research team scrupulously conducts economic, sector, and company specific research to ensure diligence, independence and objectivity, and thoroughness in analyzing investments, making investment recommendations, and taking investment actions. These activities show fair dealing, prudence and care towards the clients also.

2. Lowest Brokerage Commission Facility

ICL Balanced Fund execute trades with four leading brokerage companies in the country. As your asset manager, ICL negotiates for the best offer, given quality and execute trades with lowest brokerage commission.

3. Suitability of the Products

Your asset manager, ICL, gives effort to scrutinize the investors investment experience, risk and return objectives, and financial constraints so that it can come up with products that are suitable to the investors' financial situation and consistent with their objectives, mandates, and constraints. Since there are different product portfolios with different mandates, strategies, or styles, your asset manager makes investment recommendations or take investment actions that are consistent with the stated objectives and constraints of the product in concern.

4. Transparency through Quarterly Unit holders' Statement

ICL always tries to give value to your hard-earned money invested in the fund and behold the trustworthiness by ensuring transparency. ICL distributes Unit holders' statements at the end of each quarter to the Unit holders to maintain healthy and trustworthy relationship.

5. Encouraging Knowledge Seeking

ICL, as an employer, encourages learning of the employees so that they can contribute to the advancement of the investors by applying their knowledge. ICL, in this regard, provides the employees with best work life balance and privilege to pursue professional programs like Chartered Financial Analyst (CFA), Chartered Accountancy (CA), etc.

V. INVESTORS' AWARENESS SESSIONS

Globally, mutual funds are popular among investors across the institutions and individuals, as one of the best wealth creating investment solution over the long-term.

However, in Bangladesh, the concept of mutual fund is just emerging. With intention to create awareness about mutual funds, ICL visited numerous business and academic institutions during 2017-18.

Following are the snapshots of such sessions:















MANAGEMENT DISCUSSION AND ANALYSIS





I. FUND HIGHLIGHTS

Mutual Fund Category:	Open-end Mutual Fund
Life and Size of the Fund:	Perpetual and Unlimited size
Sponsor:	Impress Capital Limited
Trustee:	Bangladesh General Insurance Company Limited (BGIC)
Custodian:	BRAC Bank Limited
Asset Under Management (AUM):	BDT 364,788,842 (As on June 30, 2018)
Face Value:	BDT 10/Unit
Net Asset Value (NAV) per Unit:	BDT 11.76/Unit (As on June 30, 2018) at market value
Minimum Investment Amount:	100 Units for Individuals
	10,000 Units for Institutions
Transparency:	NAV is calculated on a weekly basis and published on ICL's website
Target Group:	Individuals- both resident and non-resident
	Institutions- both local and foreign
	Mutual funds and collective investment schemes
Dividend:	Minimum 70% (seventy percent) of realized income of the fund is distributed as dividend in Bangladeshi Taka
	each accounting year
Dividend Distribution:	The dividend is distributed within 45 (forty-five) days from the date of dividend diclaration
Transferability:	The Units of the Fund are transferable by way of inheritance/gift and/or as per law of the land
Encashment:	The Unit Holders can surrender and encash their units to the Asset Manager and through selling agents
	appointed by the Asset Manager
Reports and Accounts:	Every Unit Holder is entitled to receive annual report along with the yearly and half-yearly statements of
	accounts as and when published



II. REVIEW OF ICL BALANCED FUND

We would like to reinstate that your money is still invested with a long-term view. Your Asset Manager, ICL, believes in "Investment" philosophy opposite to the 'Trading' school-of-thoughts, in line with the basic investment guidelines. As a result, during the year, we continued to hold on to our long-term investments in ICL Balanced Fund, despite the noise created during the period by a downward slopping market. This year was rather an opportunity to accumulate and build the portfolio that will help in attaining the objective of the Fund, in the long run. ICL Balanced Fund, has generated a total return for the year of 6.82% as against DSEX Index Return of -3.79% during the year, Fund's maturity also played a crucial role in the outperformance by 10.61%. So, the Fund is successfully able to deliver a dividend of BDT 0.8 per unit.

III. ECONOMIC OVERVIEW

According to IMF, World Economic Outlook, April 2018 database, Bangladesh is now an economy with a GDP of USD 285.82 billion and is on its way to become the Middle-Income Country by 2023. As a result, the Economy has the potential to achieve a stable rate of growth in a sustainable manner in the decades to come. We firmly believe, the returns of equity investments will reflect the economy's upsurge too.

Major Highlights for the year are as follows-

- Rising price of commodities in the global market followed by rise in cost of productions; e.g. price of Brent Crude Oil in July 4, 2017 was USD 49.15 per barrel, and as of June 29, 2018, the price increased to USD 77.44 per barrel¹.
- The Bangladeshi Taka (BDT) depreciated against United States Dollar (USD) from BDT 80.65 per USD in July 2017 to BDT 83.7 per USD in June 2018².
- Point to point inflation up to May 2018 was around 5.57%, which is still reasonable considering an economy which is at the growth stage³.
- During the year 2018, there are 347,027 Bangladeshis received employment abroad, which may contribute to increase in remittances⁴.
- Establishment of 76 economic zones has been approved so far and 10 of them has already been inaugurated. There are 10 mega infrastructure
 projects under construction⁵.

Overall, our view is, in the coming 3 years to 5 years, the economy will start enjoying benefits of the progressive economic events taking place at present. And, this will boost the equity returns as well.

¹ www.ycharts.com

² Bangladesh Bank (https://www.bb.org.bd/econdata/exchangerate.php)

³ Bangladesh Bank (https://www.bb.org.bd/econdata/inflation.php)

⁴ http://www.newstoday.com.bd

⁵ https://www.thedailystar.net

IV. MARKET OVERVIEW

As we have mentioned that the DSEX Index has generated -3.79% return⁶ during the period. The price correction in the banking sector has played a significant role, as the fear escalated regarding liquidity crisis, implementation of stringent Asset to Deposit Ratio and the rise in non-performing loans in the Banking Industry. As the market became bearish, scrips in other sectors also took the beating.

We would like to assure you that, your investments in the long-run will be unfazed by such short-run bearish environment. Your Asset Manager conducts rigorous Investment research to identify the best scrips in each of the sectors. The recent bear run helped us accumulate the scrips in the portfolio which are likely to contribute towards your wealth maximization, in the years to come.

All in all, with rigorous investment process, companies' selection and asset allocation abilities, your Asset Manager will always try to generate a positive return, irrespective of market conditions.

V. INVESTMENT POLICY OF THE FUND

- a. Style: Balanced
- b. Investment Objective: Moderate double-digit risk-adjusted expected total return per annum over stated investment horizon.
- c. Risk Objective: ICL Balanced Fund will be tailored towards investors with "Moderate" willingness and capability to take risk.
- d. Fund's Investment Horizon: 3 years to 10 years.
- e. Suitability: Investors who want long term capital appreciation along with regular income from the fund in form of dividend.
- f. Asset Allocation:
 - 70% 80% in Equities
 - 20% 30% in Fixed Income Securities, Cash and Cash Equivalent Assets
- g. Legal Framework and Restrictions

As per সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচ্যুয়াল ফান্ড) বিধিমালা, ২০০১,a mutual fund is formed as a Trust under Trust Act, 1982 and the Trust Deed

⁶ Research, Impress Capital Limited



is registered under Registration Act, 1908. ICL Balanced Fund's Trust Deed has been registered on March 29, 2016 and the Trustee of the Fund is Bangladesh General Insurance Company Limited. The entire conduct of the Fund is governed by সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচ্যুয়াল ফান্ড) বিধিমালা, ২০০১. The Trustee actively observes and monitors the Fund on a regular basis, to ensure that your Fund is operated by being fully compliant with সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচ্যুয়াল ফান্ড) বিধিমালা,২০০১. Custodian of the Fund is BRAC Bank Limited to ensure safe custody of each asset owned by the Fund.

Following are the legal restrictions both the funds need to abide by:

- The Fund invests only in those securities, deposits and investments approved by the Bangladesh Securities and Exchange Commission and/or the Bangladesh Bank and/or the Insurance Development & Regulatory Authority (IDRA) of Bangladesh or any other competent authority in these regards.
- All money collected under the Fund is invested only in encashable/transferable instruments, securities whether in money market or capital
 market, or privately placed pre-IPO equity, preference shares, debentures or securitized debts.
- The Fund purchases or transfers all its assets in the name of the Fund.
- Only the Asset Management Company makes the investment decisions and places orders for securities purchased or sold for the Fund's portfolio.
- Time to time updated investment restrictions notified by BSEC is enforced in the Fund's investment decisions.
- The Fund does not invest in, or lend to, any other scheme under the same Asset Management Company.
- The Fund does not acquire any asset 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.
- The Fund or the Asset Management Company on behalf of the Fund does not give or guarantee term loans for any purpose or take up any activity in contravention of the সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচ্যুয়াল ফান্ড) বিধিমালা, ২০০১.
- The Fund buys and sells securities on the basis of deliveries and in all cases of purchases, takes delivery of securities and in all cases of sale, delivers the securities on the respective settlement dates as per the customs and practices of the stock exchanges and in no case puts itself in a position whereby it has to make short sale or carry forward transactions.

The Fund does not involve in option trading or short selling or carry forward transactions. The Fund does not buy its own Units.

h. Taxation:

As per SRO No. 333-Act/income Tax/2011 dated November 10, 2011 which was published in power of section 44(4b), the Income Tax Ordinance, 1984 states that the Fund is exempted from tax on capital gains and dividend income. There is no double taxation, tax is paid only at the unit holder's level, once. However, as per Section 53F (2) of the Income Tax Ordinance, 1984, 5% TDS shall be deducted on any interest or share of profit earned from any saving deposits or fixed deposits or any term deposit maintained with any scheduled bank.

Please see Appendix for the tax rates applicable to different category of Investors.

i. Asset Allocation Restrictions:

- Not less than 60% of the total assets of the Fund is invested in capital market instruments, out of which at least 50% is always invested in listed securities.
- Not more than 25% of the total asset of the Fund is invested in fixed income securities (FIS).
- Not more than 15% of the total asset of the Fund is invested in pre-IPOs at one time.
- The Fund invests not more than 10% of its total assets in any single company.
- The Fund invests not more than 15% of any company's paid up capital.
- The Fund invests not more than 20% of its total assets in shares, debentures or other securities of a single company or group.
- The Fund invests not more than 25% of its total assets in shares, debentures or other securities in any single industry.

VI. INVESTMENT MANAGEMENT PROCESS AT ICL

Your asset manager, ICL, solely believes in long-term investment. Research based investment is the heart of investing process at ICL.



Investment Management Process of ICL has been illustrated below -

1. Economic Analysis: Investment Research at ICL, continuously track the macro (both local and global) and micro economic events on a regular basis. Economic Analysis at ICL, works as fuel for further sectoral and company specific analysis.

For example, in the period of 2017-18, the price of crude oil had gone up. Investment Research team at ICL had estimated the event much earlier, and identified sectors, which uses raw materials having positive correlation to crude oil. One such was construction materials sectors consisting of mainly cement, steel, and paints companies. Proactively Investment Management team of ICL, sold-off all the stocks from the sector in concern from the portfolio of ICL Balanced Fund, and successfully safeguarded your valuable wealth as the sector underperformed due to mainly the reason, we were able to forecast earlier.

2. Sector Analysis: Based on economic analysis, Investment Research Team at ICL, identifies potential sectors for investments. In the previous example, we have illustrated how economic analysis leads to dynamic investment management. Similarly, sector analysis plays a vital role for identifying which sectors and underlying companies are appropriate for which investment products.

For example, ICL Balanced Fund, creates a balance between income and growth, by investing in matured companies which are deeply undervalued and offers healthy dividends; and the Fund also acquires some growth companies.

Therefore, it's very crucial for ICL, to identify sectors which fits in appropriately with the investment theme of the Fund. For example, ICL Balanced Fund consists of companies from matured financial sector with high dividend yield, which ensures regularity of income in addition to growth.

3. Company Analysis: Analyzing and identifying undervalued companies which matches the investment themes of the Funds under ICL management is one of the major responsibilities of Investment Research Team at ICL. The Team thoroughly covers around 40 blue chip companies. The Investment Research on companies are very detailed and long term oriented.

Your team conducts detailed estimation of the financial projection based on numerous quantitative and qualitative factors, for the period of 5 years to 10 years. Based on the projections, using sophisticated valuation methodologies, the intrinsic value that a company deserves is derived. The price is compared to the current market price, if the intrinsic value is deemed higher than the current market price by equal to or more than 15%, only then a "Buy" recommendation is given, and the Investment Management Team acquires the stock in the portfolio at appropriate time. If the identified intrinsic value of a particular company is less or equal to -15% compared to current market price, then a "Sell" recommendation is given, and the Investment Management Team based on the appropriateness may consider the adequate actions.

For example, images illustrated in Image 1 and 2 show, how at ICL, investment decisions are taken based on fundamental investment research.



In the Image 1, you can see, on June 22, 2017 Investment Research
Team at ICL, gave a "BUY" recommendation for British American

Tobacco's (BATBC) shares with a target price of BDT 3,362, and an

upside potential of up to BDT 3,500.



In the Image 2, you can see, during December 2017, the price of BATBC had reached the zone forecasted by Investment Research Team.

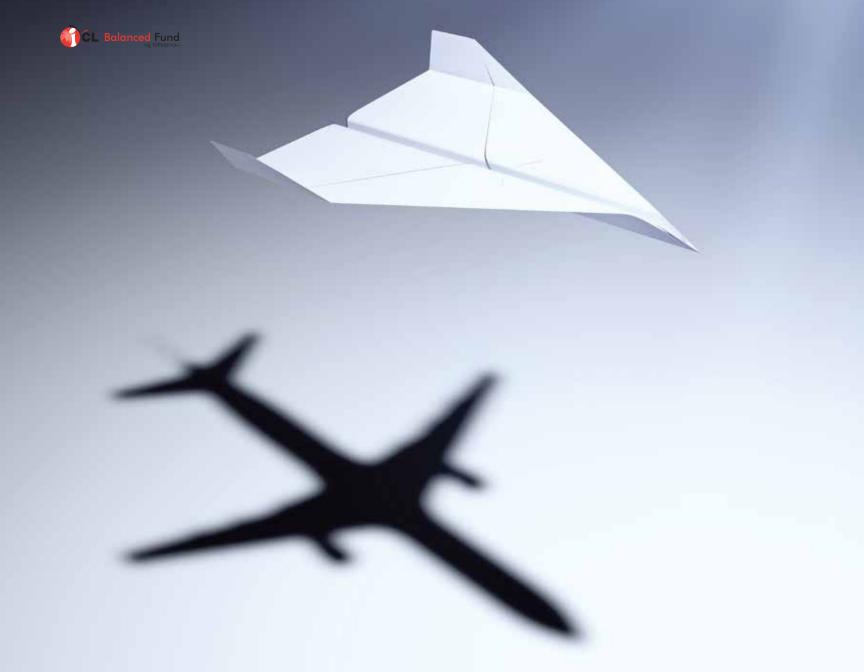
Fundamentals driven Investment Research works. Though in the example, the target price has reached within the estimated time, it may not always be the case. Investment is a very long-term and a patience-oriented process, many investments may take time to reach the target prices.

4. Investments: After the entire analysis is conducted, based on the recommendations by the Investment Research Team, Investment Management Team constructs and manages portfolio according to the themes of the Fund. The Investment Management at ICL, is very dynamic in nature, as mentioned in economic analysis segment. The Investment Research and Management team continuously track, observe, analyze, recommend and take actions which are best for the Fund in concern.

However, on a broader line, the investment horizon is long term, around 3 years to 5 years. Your Asset Manager, in general prefers to hold on to an investment if based on fundamental research, the company has potential to generate value for the Fund, irrespective of noise and pessimism created in the short run by the market.

Success in equity investments depends heavily on patience, perseverance and in-depth analysis. Your Asset Manager always try to conduct the investment management process accordingly, to generate best return for you over a period of 3 years to 5 years.

All in all, ICL, focuses on active investment management by selecting investments which are deeply undervalued, and as a result in the long-run, the Funds managed by ICL, are likely to offer better returns compared to the market.



SYSTEMATIC INVESTMENT PLAN (SIP)



A Systematic Investment Plan or SIP is a very convenient and disciplined way of investing money in mutual funds. SIP allows an investor to invest a certain pre-determined amount at a regular interval (monthly, quarterly, semi-annually, annually, etc.). A SIP is a planned approach towards investments and helps to inculcate the habit of saving and building wealth for the future.

I. SUITABILITY

Any investor with a BO account can invest in Funds managed by ICL through SIP, after considering his/her risk objectives and risk tolerance.

II. BENEFITS OF SIP

A. Flexibility & Affordability:

SIP offers a systematic approach towards investment by allowing unit holders to invest in multiple of BDT 1,000 by mentioning pre-determined amount for a specified period.

B. Flexible Tenor:

An investor can invest in the plan with an investment horizon of 2 years/3 years/5 years/10 years. Although, it is encouraged to continue SIP investments with a long-term perspective, there is no compulsion. Investors can discontinue the plan at any time after satisfying all the terms and conditions described in 'Surrender Process' which is discussed later.

C. No Minimum Lot Size:

Under SIP, there will be no minimum lot size. Based on the investment amount and available weekly NAV at that point of time, units will be credited to investor's account. However, any fraction amount remaining will be converted when it sums up to one unit. The fractional amount will be kept as liability of the fund in a separate account head and will be adjusted with the next available investment amount. For example, if one investor invests BDT 3,000 at the time when the NAV of the fund is BDT 15.5, he/she will be credited 193 units initially. The remaining 0.55 units will be adjusted with the subsequent SIP payments and credited to the investors account when it sums up to one unit.

D. Cost Averaging:

SIP scheme can help the investors to be benefited from cost averaging. Due to investments made in regular intervals, investors can buy more units in bearish market and less units when the market is bullish. This is particularly helpful for retail investors because they can avoid investing larger sums in bull market and smaller sums in bear market.

F. Discounted Purchase:

SIP investors can purchase units at 1% discount from weekly sales price offered to other investors who did not subscribe to SIP.

F. CIP (Cumulative Investment Plan) option for SIP Investment:

SIP investors can enjoy cash dividend or Cumulative Investment Plan (CIP) where, the new units of the fund will be allotted to the investors



which will be equivalent to the cash dividend. For example, if an investor is entitled to BDT 100 cash dividend from the fund, he/she will have the flexibility to invest the dividend amount to buy additional units of the fund at the available weekly NAV at that point. Accordingly, units of the fund will be allotted to the investors

III. BUY PROCESS

Investor must have a BO Account. Investor will get SIP units in their BO Accounts based on the ongoing weekly sale price of the units of the fund at that point of time. An investor can invest through SIP in following two ways:

- i. The investor may fill up the auto debit authorization form provided by the Asset Manager to debit his/her bank account to credit a specific amount for a specified period to the account of "ICL Balanced Fund", or
- ii. The investor may provide post-dated account payee cheque in favor of "ICL Balanced Fund" mentioning specific investment amount to the asset manager/selling agents at a regular interval (monthly, quarterly, semi-annually, annually, etc.).

VI. SURRENDER PROCESS

If, an investor wants to terminate the SIP before two (2) years, 1% discount from the repurchase/surrender price will be applicable on total accumulated invested amount on the date of cancellation of the scheme.

After receiving the surrender application form, the investor will be paid within 5 (Five) working days through an account payee cheque/BEFTN, as per client's request in case the withdrawal amount is equivalent or below BDT 5 million. In case, the withdrawal amount is above BDT 5 million, the investor shall receive the fund within 7 (Seven) working days of receiving the surrender request.

V. FORMS AND DOCUMENTS

Prospectus, application form, repurchase/surrender form and other related forms are available at office of ICL, offices of respective selling agents and at the website of ICL.

5. INVESTMENT REVIEW OF THE YEAR



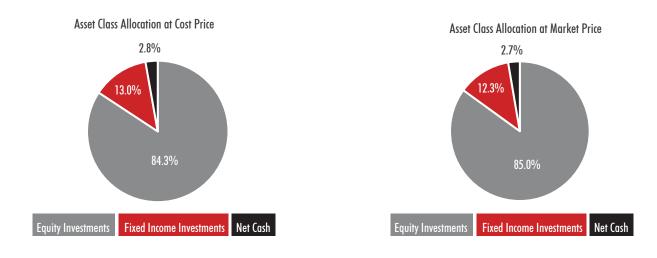
I. ASSET ALLOCATION OF THE FUND

As on 30 June 2018, Global Industry Classification Standard (GICS) methodology-wise asset allocation of the Fund is as follows:

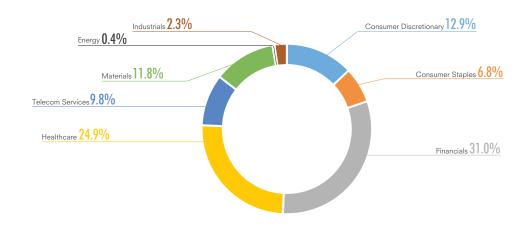
	Cost Value (BDT)	Market Value (BDT)
Equity Investments	284,192,343	297,511,030
Sectors:		
Consumer Discretionary	37,805,017	38,470,468
Consumer Staples	17,753,371	20,190,559
Financials	98,322,966	92,348,860
Healthcare	62,700,506	74,225,497
Telecom Services	22,391,157	29,167,500
Materials	35,200,719	35,040,968
Energy	263,170	1,160,580
Industrials	9,755,437	6,906,599
Fixed Income Investments	43,700,916	43,179,866
Commercial Bonds	28,700,916	28,179,866
FDR	15,000,000	15,000,000
Net Cash*	9,403,954	9,403,954
Total	337,297,213	350,094,850

^{*}Includes dividend receivable, cash tied in IPO application and, preliminary & issue expenses.

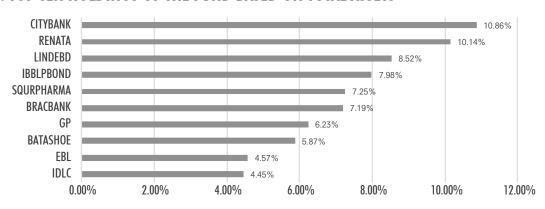




II. SECTOR WISE ALLOCATION OF EQUITY INVESTMENTS AT MARKET VALUE

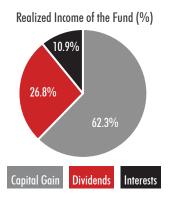


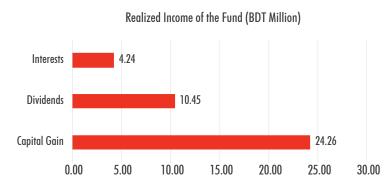
III. TOP TEN HOLDINGS OF THE FUND BASED ON TOTAL ASSETS

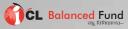


- The exposure in City Bank & Renata will be brought down to 10% or below within six months as per regulation.
- The complete portfolio is given in Annexure-A of the audited financial statements for the year ended on June 30, 2018.

IV. REALIZED INCOME OF THE FUND









ANNUAL EXPENSE STATUS OF THE FUND



As per Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001, annual expenses of the Fund shall not exceed 4% of the average monthly net asset value for the accounting year.

The Fund incurred annual expenses of BDT 9,689,428 for the year, which is around 2.65% of the average AUM for the period.

The Breakdown of the expenses is given in the Statement of Profit or Loss and Other Comprehensive Income of the audited financial statements for the year ended on June 30, 2018.

I. MANAGEMENT FEE

The policy regarding the management fee of the Asset Manager as per Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001, is as follows:

Asset Under Management	Income Sharing
Not more than 5 crores	Not more than 2.5% of the average weekly net wealth during accounting
More than first 5 crores till 25 crores	Not more than 2% of the average weekly net wealth during accounting
More than second 25 crores till 50 crores	Not more than 1.5% of the average weekly net wealth during accounting
More than 50 crores and till infinity	Not more than 1% of the average weekly net wealth during accounting

The management fee for the year 2017-2018 was BDT 7,296,146.

II. PRELIMINARY EXPENSES:

The Fund is amortizing its preliminary expenses of BDT 2,110,637 over a period of 7 years. During the 2nd year, the Fund has charged BDT 304,737 accordingly.

III. TRUSTEE FEE

According to the trust deed of the Fund, the Fund pays an annual Trusteeship fee of Taka 200,000 (two hundred thousand) only or @ 0.10% of the Net Asset Value (NAV) of the fund to the Trustee, whichever is higher on semi-annual in advance basis, during the life of the Fund applicable from the date of operation of the Fund. The Trustee Fee for the year 2017-2018 is BDT 386,409.



IV. CUSTODIAN CHARGES

The Fund pays the Custodian a safe keeping fee @ 0.05% of balance securities held by the Fund calculated based on average market value per month. Besides this, the Fund bears all other expenses, which are:

- Transaction fees of BDT 200 per transaction;
- · Local duties and fees like stamp duty on transactions, stamp duty on transfer deed; and
- Levies, brokerage, registrar's fees, local council/counsel/representation, external auditors at the client's requests, depository fees, etc. However, a fee cap of 0.07% per annum on securities held by the Fund, calculated on the average market value per month would be applicable, if the total expenses (including custodian fees, transaction fees & other expenses, mentioned above) per annum go higher than the mentioned fee cap amount. The fee for custodian service will be realized semiannually.

During the year under consideration, total Custodian Fee incurred was BDT 249,152.

V. CDBL (CENTRAL DEPOSITORY BANGLADESH LIMITED) CHARGES

As CDBL fees 0.0125% on the value of capital market transaction before brokerage expenses. During the year under consideration, total CDBL charges was BDT 56,000.

VI. BSEC ANNUAL FEE

The Fund pays 0.10% of the Fund value or BDT 50,000 (Taka Fifty Thousand), whichever is higher, to Bangladesh Securities and Exchange Commission per annum. Accordingly, for the year under consideration BDT 224,041 was paid to BSEC.

VII. AUDIT FEES

Hoda Vasi Chowdhury & Co was the statutory auditor of ICL Balanced Fund for the period and was paid an audit fee of BDT 63,250 including VAT (Value Added Tax).

7

AUDITORS REPORT AND AUDITED FINANCIAL STATEMENTS OF ICL BALANCED FUND

FOR THE YEAR ENDED ON 30 JUNE 2018





INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF **ICL** Balanced Fund

We have audited the accompanying financial statements of ICL Balanced Fund (hereinafter referred to as "the Fund"), which comprise the statement of financial position at 30 June 2018, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Asset Manager of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standards (BASs), Bangladesh Financial Reporting Standards (BFRSs), Securities and Exchange Rules, 1987, Securities and Exchange Commission (Mutual Fund) Rules, 2001 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud and error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the statement of financial position of the Fund as at 30 June 2018 and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Accounting Standards (BASs), Bangladesh Financial Reporting Standards (BFRSs) and comply with Securities and Exchange Rules, 1987, Securities and Exchange Commission (Mutual Fund) Rules, 2001 and other applicable laws and regulations.

We report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) the Fund's statement of financial position and statement of profit or loss and other comprehensive income along with the annexed notes 1 to 19 thereto dealt with by this report are in agreement with books of account of the Fund;
- c) in our opinion, proper books of account as required by law have been kept by the Fund so far as it appeared from our examination of those books; and
- d) all expenditure incurred were for the purposes of the Fund's business.

Dhaka, 06 August 2018

ANNUAL REPORT 2017-18

Amount in BDT

ICL Balanced Fund Statement of Financial Position As at 30 June 2018

	Note	30 June 2018	30 June 2017
Assets			
Investments-at market price	05	327,860,897	232,512,679
Receivables	06	16,233,475	4,805,750
Advances, deposits and prepayments	07	380,702	-
Cash and cash equivalents	08	24,403,954	129,762,525
Preliminary and issue expenses	09	1,456,895	1,761,632
Total Assets		370,335,923	368,842,586
Less : Liabilities			
Accrued expenses and others	10	5,547,081	5,237,967
Net assets		364,788,842	363,604,619
Unitholder's Equity			
Unit fund	11	310,070,000	315,402,000
Unit transaction reserve	12	6,903,946	7,648,356
Investment diminution reserve (Annexure A)		12,767,637	19,148,999
Retained earnings		35,047,258	21,405,264
		364,788,842	363,604,620
Net Asset Value (NAV) per unit:			
At cost	13	11.35	10.92
At market price	14	11.76	11.53

These financial statements should be read in conjunction with annexed notes

Bangladesh General Insurance Company Limited

AUDITORS' REPORT TO THE TRUSTEE See annexed report of date

Dhaka, 06 August 2018



Asset Manager

Impress Capital Limited





ICL Balanced Fund Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2018

	Note	1 July 2017 to 30 June 2018
Income		
Net gain/(loss) on sale of marketable securities	15	24,259,627
Dividend income	16	10,452,802
Interest income	17	4,235,705
		38,948,134
Less: Expenses		
Management fees		7,296,146
Trustee fees		386,409
CDBL annual fees		56,000
Custodian fees		249,152
BSEC fees		224,041
Amortization of preliminary expenses		304,737
Agent commission		10,670
Audit fees		63,250
Bank charges and others		177,607
Other operating expenses	18	808,077
		9,576,089
Net profit/(loss) for the year before provision		29,372,045
(Provision) / Write back of provision against fall in value of securities		-
Distributable profit/(loss) for the year		29,372,045
Add: Other comprehensive income		
Unrealized gain- increase or decrease for the year		(6,381,362)
Total profit including unrealized gain-increase or decrease for the year		22,990,683
		01 007 000
Number of outstanding units		31,007,000
Earnings per unit for the year	19	0.95

These financial statements should be read in conjunction with annexed notes

Bangladesh General Insurance Company Limited

Dhaka,

06 August 2018

AUDITORS' REPORT TO THE TRUSTEE

See annexed report of date

Asset Manager Impress Capital Limited Amount in BDT

12 April 2016 to 30 June 2017

13,896,013 7,316,382 5,946,049 27,158,444

> 4,604,747 280,388

> > 131,913 50,000 349,005

46,000 195,634 95,492 5,753,179 21,405,264

21,405,264

19,148,999 40,554,263

0.68

Chartered Accountants

IMPRESS CAPITAL LIMITED

ICL Balanced Fund Statement of Changes in Equity For the year ended 30 June 2018

Amount in BDT

Particulars	Unit fund	Unit transaction reserve	Investment diminution reserve (Annexure A)	Retained earnings	Total equity
Balance as at 1 July 2017	315,402,000	7,648,356	19,148,999	21,405,264	363,604,619
Unit subscribed during the year	124,197,000	-	-	-	124,197,000
Unit repurchased during the year	(129,529,000)		-	-	(129,529,000)
Net profit during the year		-	-	29,372,045	29,372,045
Profit on unit subscribed		29,828,688	-	-	29,828,688
oss on redemption of units	-	(30,573,098)	-	-	(30,573,098)
Cash dividend paid for the year 2016-17	-		-	(15,730,050)	(15,730,050)
nvestment diminution reserve during the year	-		(6,381,362)	-	(6,381,362)
alance as at 30 June 2018	310,070,000	6,903,946	12,767,637	35,047,258	364,788,842
Init subscribed during the period	326,012,000	-	-	-	326,012,000
nit surrendered during the period	(10,610,000)	-	-	-	(10,610,000)
let profit for the period	-	-	-	21,405,264	21,405,264
rofit on unit subscribed	-	8,897,416	-	-	8,897,416
oss on redemption of units	-	(1,249,060)	-	-	(1,249,060)
nvestment diminution reserve during the period	-	-	19,148,999	-	19,148,999
alance as at 30 June 2017	315,402,000	7,648,356	19,148,999	21,405,264	363,604,619

Bangladesh General Insurance Company Limited

Asset Manager Impress Capital Limited



ICL Balanced Fund Statement of Cash Flows For the year ended 30 June 2018

A. Cash flows from operating activities

Net gain/(loss) on sale of marketable securities

Dividend income received

Interest income received

Payment made for expenses

Increase in advance, deposit and prepayments

Net cash flows from operating activities

B. Cash flows from investing activities

Investment in marketable securities, net

(Investment) in/ refund from IPO

Net cash used in investing activities

C. Cash flows from financing activities

Unit subscribed

Unit surrendered

Cash dividend paid

Preliminary and issue expenses

Net cash generated from financing activities

Net cash flows for the year

Cash and cash equivalents at the begining of the year

Cash and cash equivalents at the end of the year

Net operating cash flows

Number of outstanding units

Net operating cash flows per unit for the year

Amount in BDT

1 July 2017 to 30 June 2018	12 April 2016 to 30 June 2017
24,259,627	13,896,013
7,626,732	5,332,519
6,358,436	3,124,162
(8,513,260)	(1,861,358)
(367,011)	-
29,364,524	20,491,335
(119,768,691)	(203,668,529)
5,463,150	(8,000,000)
(114,305,541)	(211,668,529)
154,025,688	334,909,416
(158,713,192)	(11,859,060)
(15,730,050)	-
-	(2,110,637)
(20,417,554)	320,939,719
(105,358,571)	129,762,525
129,762,525	-
24,403,954	129,762,525
29,364,524	20,491,335
31,007,000	31,540,200
0.95	0.65

Asset Manager Impress Capital Limited

Trustee

Bangladesh General Insurance Company Limited

ICL Balanced Fund Notes to the Financial Statements For the year ended 30 June 2018

01. Introduction

ICL Balanced Fund ("the Fund") is an open-end mutual fund sponsored by Impress Capital Limited. The Fund got its approval from Bangladesh Securities & Exchange Commission on May 05, 2016 vide registration number BSEC/Mutual Fund/2016/65 under Securities and Exchange Commission (Mutual Fund) Rules, 2001. The current address of the fund is Evergreen Plaza (1st floor), 260/B, Tejgaon I/A, Dhaka-1208.

Bangladesh General Insurance Company Limited (BGIC) is the trustee and BRAC Bank Limited is the custodian of the fund. Impress Capital Limited is the Asset Manager.

02. Closure of accounting year of the Fund

The Fund has been consistently closing its books of accounts as at 30 June every year.

03. Objective

The objective of the Fund is to generate regular income as well as capital appreciation by investing in capital market and money market instruments at appropriate percentages as determined by the Asset Manager.

04. Significant accounting policies

4.01 Basis of accounting

These financial statements have been prepared under the historical cost convention in accordance with the Bangladesh Financial Reporting Standards (BFRSs), Securities and Exchange Rules, 1987 and Securities and Exchange Commission (Mutual Fund) Rules, 2001.

4.02 Investment policy

- i) The Fund shall invest subject to the and only in those securities, deposits and investments approved by the Bangladesh Securities and Exchange Commission and / or the Bangladesh Bank and / or the Insurance Development & Regulatory Authority (IDRA) of Bangladesh or any other competent authority in these regards.
- ii) Not less than 60% of the total assets of the Scheme of the Fund shall be invested in capital market instruments out of which at least 50% shall be invested in listed securities.
- iii) Not more than 25% of the total asset of the Scheme of the Fund shall be invested in Fixed Income Securities (FIS).
- iv) Not more than 15% of the total asset of the Scheme of the Fund shall be invested in pre-IPOs at one time.
- v) All money collected under the Fund shall be invested only in encashable/transferable instruments, securities whether in money market or



Standards (BFRSs), Securities and Exchange Rules, 1987 and Securities and Exchange Commission (Mutual Fund) Rules, 2001.

- vi) The Fund shall get the securities purchased or transferred in the name of the Fund.
- vii) Only the Asset Management Company will make the investment decisions and place orders for securities to be purchased or sold for the Scheme's portfolio.
- viii) Time to time updated investment restrictions notified by BSEC shall be enforced in the Fund's investment decisions.

4.03 Valuation policy

- i) Listed securities (other than mutual Fund) are valued on a conservative basis at lower of cost or market value deviating from BAS-39' Financial Instruments: Recognition and Measurement'. Mutual Fund (close end) securities are valued at lower of 85% of Net Asset Value (NAV), cost price and market price whereas mutual fund (open end) securities are valued at lower of cost price and surrender value / repurchase price as per SRO No. SEC/CMRRCD/2009-193/172 dated 30 June 2015.
- ii) Pursuant to Rule 58(2) of Securities and Exchange Commission (Mutual Fund) Act, 2001, the Fund valued non-listed securities on a consistent basis duly authenticated by Trustee of the Fund.
- iii) Market value is determined by taking the closing price of the securities in Dhaka Stock Exchange (DSE) at the statement of financial position date.

4.04 Revenue recognition

- i) Gains / losses arising on sale of investment are included in the Statement of Profit or Loss and Other Comprehensive Income on the date at which the transaction takes place. Capital gains/losses are recognized or being realized based on weighted average cost basis.
- ii) Dividends are recognized immediately after the record date as it is due.
- iii) Interest income is recognized on accrual basis.

4.05 Preliminary and issue expenses

Preliminary and issue expenses are being written off over a period of seven years on a straight-line method.

4.06 Management fees

The management fee of the Fund is to be paid to the asset management company per annum on weekly average net asset value (NAV) accrued and payable semi-annually. As per the Prospectus and the provisions of the Securities & Exchange Commission (Mutual Fund) Rules, 2001, the fee is calculated using the following slabs:

NAV (Taka)	Percentage
On weekly average NAV up to Taka 50 million	2.5
On next 200 million of weekly average NAV	2
On next 250 million of weekly average NAV	1.5
On rest of weekly average NAV	1

4.07 Trustee fees

The Trustee is entitled to an annual Trusteeship fee of Taka 200,000 (two hundred thousand) only or @ 0.10% of the Net Asset Value (NAV) of the Fund whichever is higher on semi-annual in advance basis, during the life of the Fund applicable from the effective date (the date of registration of this Trust Deed).

4.08 Custodian fees

The Fund shall pay to the Custodian a safe keeping fee @ 0.05% of the balance (dematerialized and non-dematerialized) securities held by the Fund calculated on the basis of average month end value per annum.

4.09 Fund registration and annual fees

As per the section 11 of Securities and Exchange Commission (Mutual Fund) Rules, 2001, every year the Fund is required to pay an Annual Fee to BSEC which is equal to 0.10% of the Fund or Taka 50,000 which ever is higher.

4.10 Taxation

The income of the Fund is fully exempted from Income Tax as per SRO No. 333-Act/Income Tax/2011 dated 10 November 2011, under Section 44(4) clause (b) of Income Tax Ordinance, 1984; hence no provision for tax is required.

4.11 Dividend policy

Pursuant to Rule 66 of the Securities and Exchange Commission (Mutual Fund) Rules, 2001 or any amendments of the Rules by Bangladesh Securities and Exchange Commission time to time, the Fund shall distribute by way of dividend to the holders of the units after the closing of the accounts an amount which shall be minimum 70% of the annual net profit as decided in the trustee meeting.

4.12 Earning per unit

Earnings per unit has been calculated in accordance with BAS-33 "Earnings per Share" and shown on the face of the Statement of profit or loss and other comprehensive income.

4.13 Events after the reporting period

The Board of Trustees of the Fund has declared and approved dividend at the rate of 0.08 per unit for the year ended 30 June 2018 at its meeting held on August 06, 2018.

4.14 General

Figures appearing in these financial statements have been rounded off to nearest Taka.



05. Investments-at market price

Investment in listed securities (Annexure A)
Investment in non-listed securities (Annexure A)
Investment in IPO
5.01

	Amount in BDT
30 June 2018	30 June 2017
324,690,897	224,512,679
970,000	-
2,200,000	8,000,000
327,860,897	232,512,679

5.01 As per BSEC Circular No. SEC/CMRRCD/2009-193/172, Dated 30 June 2015 Mutual Fund has separate provision method for investment in Mutual Funds. ICL Balanced Fund has complied with the requirements of the stated directive.

5.02 Investment in IPO

BBS cables Ltd.

VFS Tread Dyeing Ltd.

-	8,000,000
2,200,000	-
2,200,000	8,000,000

The Fund has invested Taka 39.04 million in The City Bank Ltd. representing 10.54% of total assets. Pursuant to relevant regulation with respect to investment restrictions the Fund shall not invest more than 10% of its total assets in any particular company. However the Fund has invested 10.54% in The City Bank Ltd. during the year under review.

06. Receivables

Interest receivables (FDR)	6.01	603,750	2,821,887
Dividend receivables	6.02	4,748,913	1,983,863
Trade Receivable	6.03	10,880,811	-
		16,233,475	4,805,750

6.01 Interest receivables (FDR)

IDLC Finance Ltd.
Midland Bank Ltd.
Delta Brac Housing Finance Corporation Ltd.

603,750	-
-	1,680,000
-	1,141,887
603,750	2,821,887

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				Amount in BDT
			30 June 2018	30 June 2017
6.02 Div	idend receivables			
	Southeast Bank Ltd.		-	1,180,000
	Green Delta Insurance Ltd.		-	38,000
	Peolpes Insurance Company Ltd.		-	22,800
	IBBL Mudaraba Perpetual Bond		2,536,774	-
	Bata Shoe Company (Bangladesh) Limited		194,250	183750
	The City Bank Ltd.		2,017,889	559,313
			4,748,913	1,983,863
6 03 Tra	de Receivables		, ,	
0.00 IIu	BRAC EPL Stock Brokearge Ltd.		7 102 507	
	City Brokerage Ltd.		7,183,507	-
	Oily blokerage Liu.		3,697,304	-
			10,880,811	
07. Advan	ces, deposits & prepayments			
	BSEC Fee		365,211	-
	Trustee Fee		13,691	-
	BO A/C maintenance charge		1,800	-
			380,702	-
08 Cash o	ınd cash equivalents			
vo. cusii u	Cash at banks	8.01	9,403,954	9,403,954
	Term-deposit (FDR)	8.02	15,000,000	15,000,000
		0.02	24,403,954	24,403,954
8 01 Cas	sh at banks		21,100,731	21,100,731
0.01 cu	SND accounts with:			
	Midland Bank Limited		9,089,242	7,369,562
	Prime Bank Limited		314,712	26,088
	Time Bank Emitted		9,403,954	7,395,650
			7,403,734	7,373,030
8.02	Term-deposit (FDR):			
	IDLC Finance Ltd.		15,000,000	-
	Delta Brac Housing Finance Corporation Ltd.		-	82,366,875
	Midland Bank Limited		-	40,000,000
			15,000,000	122,366,875



		Amount in BDT
	30 June 2018	30 June 2017
09. Preliminary and issue expenses		
Opening Balance	1,761,632	2,110,637
Amortization during the year	-304,737	(349,005)
	1,456,895	1,761,632
10. Accrued expenses and others		
Management fees	3,603,416	3,085,997
Brokerage payable	-	1,695,151
Trustee fees	-	280,388
Custodian fees	122,726	108,582
Audit fees	63,250	46,000
TDS for advertisement	3,658	19,136
Payable to unit surrender	1,388,906	
Payable to Impress Capital Limited	56,000	
Provision for Tax	279,975	-
Agent Commission	10,670	-
Payable for Newspaper Advertisement	18,480	2,713
	5,547,081	5,237,967
11. Unit fund		
Beginning of the year (31,540,200 units of Taka 10 each)	315,402,000	100,000,000
Units subscribed during the year (12,419,700 units of Taka 10 each)	124,197,000	226,012,000
Units re-purchased during the year (12,952,900 units of Taka 10 each)	(129,529,000)	(10,610,000)
Total number of units at the end of the year (31,007,000)	310,070,000	315,402,000
12. Unit transaction reserve		
Opening balance	7,648,356	_
New subscription (12,419,700 units)	29,828,688	8,897,416
Less: Premium reserve paid for re-purchase (12,952,900 units)	(30,573,098)	(1,249,060)
	6,903,946	7,648,356
	, ,	, ,

ANNUAL REPORT 2017-18

		Amount in BDT
	30 June 2018	30 June 2017
13. Net Asset Value (NAV) per unit at cost		
Total Net Asset Value (NAV) at market price	364,788,842	363,604,619
Less: Unrealized gain (Annexure A)	12,767,637	(19,148,999)
Total Net Asset Value (NAV) at cost	352,021,204	344,455,620
Number of units	31,007,000	31,540,200
NAV per unit at cost	11.35	10.92
14. Net Asset Value (NAV) per unit at market price		
Total Net Asset Value (NAV) at market price	364,788,842	363,604,619
Number of units	31,007,000	31,540,200
NAV per unit at market price	11.76	11.53
15. Net gain/(loss) on sale of marketable securities		
Sectorwise break-up of gain on sale of investments are as under:		
Bank	2,234,657	3,252,569
Cement	-	1,832,095
Engineering	8,664,066	-
Insurance	323,957	243,547
Miscellaneous	1,756,473	126,883
Textile	715,978	2,436,918
Financial Institutions	, , , , , , , , , , , , , , , , , , ,	3,917,780
Tannery Industries	_	1,009,925
Pharmaceuticals & Chemicals	4,210,390	712,127
Fuel & Power	965,704	456,172
Service & Real Estate	,	21,027
Travel & Leisure	-	337,312
Telecommunication	2,513,387	-
IT	7,810,293	
Cement	(427,301)	_
Engineering	-	(361,640)
Food & Allied	(1,600,850)	-
Service & Real Estate	(2,907,125)	-
Telecommunication	-	(88,702)
	24,259,627	13,896,013





	30 June 2018	30 June 2017
16. Dividend income		
Bank	2,982,889	2,262,513
Engineering	-	67,901
Insurance	-	212,800
Miscellaneous	14,463	-
Textile	-	958,829
Financial Institutions	660,000	1,033,047
Tannery Industries	619,750	183,750
Pharmaceuticals & Chemicals	676,400	220,000
Fuel & Power	329,000	262,570
Service & Real Estate	133,785	· ·
Travel & Leisure	-	17,600
Telecommunication	1,659,250	556,200
IT	24,691	-
Food & Allied	640,800	228,780
Mutual Fund	175,000	· ·
Corporate Bond	2,536,774	1,312,392
	10,452,802	7,316,382
17. Interest income		
Fixed Deposit Receipts (FDR)	1,981,178	5,435,203
Short Notice Deposit (SND) A/C	2,254,527	510,846
	4,235,705	5,946,049
18. Other operating expenses		
Printing and publication expenses	378,428	-
Tax at source on interest and dividend - charged out 18.1	354,869	-
CDBL charges	54,780	95,492
IPO subscription fee	20,000	-
	808,077	95,492

Amount in BDT

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Amount in BDT 30 June 2018 30 June 2017

18.01 Tk. 354,869 represents tax deducted at source which was deducted on interest income from Fixed Deposit Receipts and on dividend. As per SRO No. 333-Act/income Tax/2011 dated November 10, 2011which was published in power of section 44(4b) the Income Tax Ordinance, 1984 states that income of any mutual fund is fully tax exempted. However, as per Section 53F (2) of the Income Tax Ordinance, 1984, 5% TDS shall be deducted on any interest or share of profit earned from any saving deposits or fixed deposits or any term deposit maintained with any scheduled bank. So the Fund has charged out the tax at source of amount Tk. 354,869.

19. Earnings per unit for the year

Net profit for the period (A) Number of units (B) Earnings per unit (A÷B)

29,372,045
31,007,000
0.95

21,405,264	
31,540,200	
0.68	

Trustee
Bangladesh General Insurance Company Limited

Asset Manager Impress Capital Limited



Annexure A

Α	Investment in Listed Secu	ırities							
No.	Sectors	Name of instruments	Number of share	Weighted Average Price	Total Cost Value (CV)	Market Price	Total Market Value (MV)	Unrealized gain/ (loss)	
1 Pharmad		ADVENT	16,667	10.00	166,670	34.20	570,011	403,341	
	Pharmaceuticals & Chemicals	RENATA	34,204	1,065.85	36,456,435	1,296.50	44,345,486	7,889,051	
		SQURPHARMA	100,000	260.77	26,077,401	293.10	29,310,000	3,232,599	
2	Tannery Industries	BATASHOE	18,500	1,139.92	21,088,527	1,137.20	21,038,200	(50,327)	
3	5 10 AU: 1	BATBC	4,715	2,775.81	13,087,946	3,456.70	16,298,341	3,210,395	
3	Food & Allied	OLYMPIC	17,345	268.98	4,665,425	224.40	3,892,218	(773,207)	
4	Paper & Printing	BPML	201,197	80.00	16,095,760	80.00	16,095,760	-	
		BRACBANK	322,828	80.04	25,838,505	71.20	22,985,354	(2,853,151)	
5	Bank	CITYBANK	1,115,149	35.02	39,049,229	33.60	37,469,006	(1,580,223)	
		EBL	482,500	34.05	16,430,976	33.80	16,308,500	(122,476)	
6	Cement	CONFIDCEM	30,000	155.34	4,660,264	156.50	4,695,000	34,736	
7	Telecommunication	GP	75,000	298.55	22,391,157	388.90	29,167,500	6,776,343	
8	Corporate Bond	IBBLPBOND	29,293	979.79	28,700,916	962	28,179,866	(521,050)	
9	Financial Institutions	IDLC	220,000	72.75	16,004,256	66.3	14,586,000	(1,418,256)	
10	Fuel & Power	INTRACO	26,317	10.00	263,170	44.1	1,160,580	897,410	
10	ruei & rower	LINDEBD	23,500	1,292.60	30,376,217	1,257.10	29,541,850	(834,367)	
1	Miscellaneous	NAHEEACP	7,212	8.00	57,699	46.5	335,358	277,659	
2	Engineering	OIMEX	11,719	9.09	106,540	40	468,760	362,220	
13 Textile	12	Toutile	QUEENSOUTH	13,686	10.00	136,860	62.3	852,638	715,778
	ICAIIIC	SKTRIMS	48,387	10.00	483,870	10.00	483,870	-	
4	Services & Real Estate	SAIFPOWER	281,902	34.61	9,755,437	24.50	6,906,599	(2,848,838)	
	Total (A)				311,893,259		324,690,897	12,797,637	
В	Investment in Listed Securit	ies							
5	Mutual Fund	PFUF2	100,000	10.00	1,000,000	9.70	970,000	(30,000)	
	Total (B)				1,000,000		970,000	(30,000)	
at 30 J	une 2018 (A+B)				312,893,259		325,660,897	12,767,637	



8. FREQUENTLY ASKED QUESTIONS (FAQ)



I. What is mutual fund?

A mutual fund is an investment vehicle made up of a pool of moneys collected from many investors to investing in securities such as stocks, bonds, money market instruments and other assets.

II. What is open-end mutual fund?

Open-end mutual fund shares are bought and sold on demand at their net asset value, or NAV, which is based on the value of the fund's underlying securities.

III. What are units?

Portion of ownership in a mutual fund is called a unit. This is the legal certificate of your investments with us. Investors can purchase or redeem units at the fund's current Net Asset Value (NAV) per share. When initial buy price per unit was BDT 10, we issued 100 units for an investment of BDT 1,000. For example, the NAV of the fund was BDT 12.35 on October 5, 2017, the purchase price for 100 units would be BDT 1,235 in the following week.

IV. What is NAV?

NAV stands for Net Asset Value. Net Asset Value of the fund is the market value of the total assets of the fund subtracted by the total liabilities and provisions against the fund. The NAV of the Fund is published weekly, based on per unit NAV, on the ICL website.

V. How NAV is calculated?

The following formulae will be used to determine the fund's NAV per unit:

Total NAV= VA-LT

NAV per unit= Total NAV / No. of Units outstanding

- VA= Value of all securities in vault + Value of all securities placed in lien + Cash in hand and at bank + Value of all securities receivables
 - +Receivables of proceeds of sale of investments + Dividend receivables net of tax + Interest receivables net of tax
 - +Issue expenses amortized as on date + Printing, publication and stationery expenses amortized as on date
- LT= Value of all securities payable + Payable against purchase on investments + Payable as brokerage and customer charges
 - +Payable as Trustee Fees + All other payable related to printing, publication and stationery
 - + Accrued deferred expenses regarding management fee, annual fee, audit fee, and safe keeping fee.



VI. How can an investor subscribe/purchase unit of ICL Balanced Fund?

Investors can subscribe/purchase the units of ICL Balanced Fund, through the Impress Capital Limited (ICL) or designated Selling Agents (SA). To learn more about subscription please visit our website.

VII. For how long do I need to remain invested in the fund?

You can invest or withdraw any time by buying or selling the units. So, if you want, within a week you may withdraw.

VIII. What documents needs to be submitted by an individual to subscribe/purchase the Funds managed by ICL?

Investor needs to submit the following documents during subscription of ICL Balanced Fund:

- Copy of National ID of applicant and nominee
- Copy of Driving license (if any)
- Copy of Passport (if any)
- One copy of color photograph
- One copy of color photograph of nominee and one copy of color photograph of guardian
- ETIN certificate of applicant

IX. Does the ICL Balanced Fund issue investors any share certificate as proof of subscription of units in the fund?

Every investor of the Fund is provided with an electronic certificate against each successful transaction.

X. How can investors surrender/sell units of ICL Balanced Fund?

Investors can redeem or sell their subscribed or purchased units of their respective Funds at their will at the redemption prices announced by ICL. For surrendering units of ICL Balanced Fund, Investors can visit our corporate office/offices of Selling Agents during working days before 4.00 pm. ICL or Selling Agents will help investors surrender units of the Fund as per request. Please note that, the redemption price will be declared weekly based on the Net Asset Value (NAV) of the Fund.

XI. What is surrender price?

Surrender price is the price that you receive on redeeming or surrendering each unit of Fund you own. This price is calculated weekly based on the Net Asset Value (NAV).

XII. How can investors get surrendered proceed of the ICL Balanced Fund?

The proceeds of unit surrenders will be either transferred to the Bank Account of the Investor or through A/C Payee Cheque in favor of the Investor.

XIII. What can an investor get as return by investing in ICL Balanced Fund?

Any investor of ICL Balanced Fund, will be benefitted by two types of income as return.

- Dividend declared by the Fund and
- Capital Gain on surrender of Units

XIV. What is a Systematic Investment Plan (SIP) and how it is helpful for Unit holders?

The details of the SIP have been explained in Chapter 4.

XV. Who are the transaction agents/selling agents of the ICL Balanced Fund?

A. BRAC EPL Stock Brokerage Limited

1. Head Office

WW Tower (Level 8), 68 Motijheel, C/A Dhaka 1000 Tel: +880 2 9514721-30, Ext-124, Mob: +880 01709641241

2. Gulshan Branch

Symphony (3rd Floor), Plot No.S.E.(F)-9, Road No 142, Gulshan 1, Dhaka 1212 Tel: +880 2 9852446-50, Ext-101

3. Motijheel Branch

Suite: 1001-3, (9th Floor), DSE Annex Building, 9/E Motijheel C/A, Dhaka 1000 Tel: +880 2 9567663, +880 2 9562254

4. Dhanmondi Branch

Concord Royal Court, Road 27, Dhanmondi, Dhaka 1209 Tel: +880 2 9119272, Ext-101 Mob: +880 01730727935

5. Chittagong Branch

Ayub Trade Centre, (8th Floor) 1269/B S.K Mujib Road, Agrabad C/A. Chittagong 4100, Bangladesh, Tel: +88 031-2512908-12, Ext-111, Mob: +88 01730357987

6. Comilla Branch

35/32 (3rd Floor), Zilla School Road, Monohorpur, Kandirpar, Comilla 3500, Tel: +88 081-60002-6 Ext-101 Mob: +88 01730357993

7. Sylhet Branch

Firoz Tower, (2nd Floor) 891/Ka, Chowhatta, Sylhet 3100, Tel: +88 0821-728209, Ext-10, Mob: +88 01730727928

8. Noakhali Branch

Morshed Alam Complex, Level 4, Rail Gate, Chowmuhani, Noakhali 3821, Tel: 0321-53318, Ext-101, Mob: 01730315281

B. City Brokerage Limited

1. Head Office

Taj Casilina, SW (1) 4, Flat 4/D (3rd Floor), 25, Gulshan Avenue, Gulshan 1, Dhaka 1212, Direct: +88 02 8825326

2. Motijheel Branch

City Centre, Unit ID # 12A & 12B (12th floor), Level 13, 90/1, Motijheel C/A, Dhaka 1000, Tel: +880 2 9567018

3. Dhanmondi Branch

Road # 27 (Old), 32 (New) House # 312, Suvastu Zenim Plaza (2nd Floor) Dhanmondi, Dhaka 1205

4. Nikunja Branch

57, Zoar Shahara C/A, Lotus Kamal Tower (Ground Floor), Nikunja 2, Dhaka 1229 PABX: +880 2 8915330

5. Chittagong Branch

Ayub Trade Center (6th floor), 1269/B, SK Mujib Road, Agrabad C/A, Chittagong 4000, Tel: +880 312518363-5, Ext-101

6. Sylhet Branch

Holy Complex (1st Floor), East Dorgha Gate, Sylhet 3100. PABX: +88 0821725575, +88 0821 722045, +88 0821 716155







Applicatble Tax rates for different categories of Investors

Category	Types of Benefit	Rate	Tax Implication	Reference (As per ITO 1984)	
	Dividend Income	10- 15%	Exempted: Up to BDT 25,000 then TIN Available: 10% No TIN: 15%	6th schedule, Part- A, Para- 22(A) & Section- 54	
Individual	Capital Gain	Nil	Fully exempted	SRO No. 196/2015, Date: June 30, 2015	
-	Investment Rebate	10-15% based on income class	Actual Investment, 25% of taxable income or BDT 1.5 crore, whichever is lower	Section- 44 (2 & 3) and 6th schedule, Part- B, Para- 27	
	Dividend Income	20%	Exempted: Up to BDT 25,000	6th schedule, Part- A, Para- 22(A) & Section- 54	
Institution	Capital Gain	10%	No benefit	SRO No. 196/2015, Date: June 30, 2015	
	Investment Rebate	N/A	No benefit	N/A	
	Dividend Income	30%	Exempted: Up to BDT 25,000	6th schedule, Part- A, Para- 22(A) & Section- 56(20)(b)	
NRB	Capital Gain	10%	No benefit	SRO No. 196/2015, Date: June 30, 2015 & Section-56(17)	
-	Investment Rebate	10-15% based on income class	Actual Investment, 25% of taxable income or BDT 1.5 crore. whichever is lower	Sec 44(2 & 3) and 6th schedule, Part- B, Para- 27	
	Dividend Income	N/A		(dl., l., D A. D A/1\ 0. /	
Provident Fund	Capital Gain	N/A	Exempted	6th schedule, Part- A, Para- 4(1) & 6	
	Investment Rebate	N/A	N/A	N/A	
	Dividend Income	N/A	Formula		
Gratuity Fund	Capital Gain	N/A	Exempted	6th schedule, Part- A, Para- 6	
	Investment Rebate	N/A	N/A	N/A	







unlocking opportunities

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