ICB AMCL SECOND MUTUAL FUND
Asset Manager: ICB Asset Management Company Limited
Green City Edge (4th Floor), 89 Kakrail, Dhaka-1000.

In terms of the Rule 69 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (wgDP¨qvj dvÛ) wewagvjv 2001, the yearly audited accounts of theICB AMCL SECOND MUTUAL FUND for the period ended 30 June 2018 are appended below:

Statement of Financial Position
as at June 30, 2018

Particulars	Notes	Amount in Taka	
		June 30, 2018	June 30, 2017
Assets			
Marketable securities -at cost	3.00	68,58,26,446	67,17,62,719
Cash at Bank	4.00	3,09,40,868	3,69,34,318
Other current assets	5.00	49,39,519	92,66,864
Total Assets		**72,17,06,833**	**71,79,63,901**
Equity and Liabilities			
Equity:			
Capital	6.00	50,00,00,000	50,00,00,000
Reserve and surplus	7.00	8,39,02,382	8,29,90,181
Provision for Marketable Investments	8.00	10,92,95,419	10,42,29,927
Total Equity		**69,31,97,801**	**68,72,20,108**
Liabilities:			
Current liabilities	9.00	2,85,09,032	3,07,43,793
Total Equity and Liabilities		**72,17,06,833**	**71,79,63,901**
Net Asset Value (NAV)			
At cost price		**13.86**	**13.74**
At market price		**9.23**	**10.61**

Statement of Profit or Loss and Other Comprehensive Income
for the year ended June 30, 2018

Particulars	Notes	Amount in Taka	
		June 30, 2018	June 30, 2017
INCOME			
Profit on sale of investments		3,02,57,716	3,47,95,520
Profit on Sale of Unit certificate		-	25,03,827
Dividend from investment in shares		1,53,02,973	1,31,02,848
Interest on Bank deposits and Bond	10.00	20,89,081	21,41,551
Total income		**4,76,49,770**	**5,25,43,746**
EXPENSES			
Management fee		91,03,489	85,91,734
Trustee fee		5,00,000	5,00,000
Custodian fee		4,99,822	4,65,777
Annual fees		4,61,246	5,30,322
Listing fees		5,00,000	5,00,000
Audit fee		17,250	17,250
Other operating expenses	11.00	5,94,356	6,73,939
Total expenses		**1,16,76,163**	**1,12,79,022**
Profit before provision		**3,59,73,607**	**4,12,64,724**
Provision for Marketable Investments	8.00	50,65,492	80,03,293
Net profit for the year		**3,09,08,115**	**3,32,61,431**
Earnings Per Unit		**0.62**	**0.67**

Statement of Changes in Equity
for the year ended 30 June 2018

Particulars	Share Capital	Dividend equalization Reserve	Provision for Marketable investment	Retained Earnings	Total Equity
Balance as at July 01, 2017	**50,00,00,000**	**1,81,09,300**	**10,42,29,927**	**6,48,80,881**	**68,72,20,108**
Dividend equalization Reserve	-	-	-	-	-
Provision for Marketable Investments	-	-	50,65,492	-	50,65,492
Last year dividend	-	-	-	(3,00,00,000)	(3,00,00,000)
Last year adjustment	-	-	-	4,086	4,086
Net profit after tax	-	-	-	3,09,08,115	3,09,08,115
Balance as at June 30, 2018	**50,00,00,000**	**1,81,09,300**	**10,92,95,419**	**6,57,93,082**	**69,31,97,801**
Balance as at July 01, 2016	**50,00,00,000**	**1,15,00,000**	**9,62,26,634**	**6,31,69,680**	**67,08,96,314**
Dividend equalization Reserve	**-**	**66,09,300**	**-**	**(66,09,300)**	-
Provision for Marketable Investments	-	-	80,03,293	-	80,03,293
Last year dividend	-	-	-	(2,50,00,000)	(2,50,00,000)
Last year adjustment	-	-	-	59,070	59,070
Net profit after tax	-	-	-	3,32,61,431	3,32,61,431
Balance as at June 30, 2017	**50,00,00,000**	**1,81,09,300**	**10,42,29,927**	**6,48,80,881**	**68,72,20,108**

Statement of Cash Flows
for the year ended 30 June 2018

Particulars	Amount in Taka	
	June 30, 2018	June 30, 2017
Cash flow from operating activities		
Dividend from investment in shares	1,45,56,438	1,33,56,003
Interest on Bank deposits and Bond	16,56,081	21,41,551
Expenses	(1,11,48,678)	(1,02,95,215)
Net cash inflow/(outflow) from operating activities	**50,63,841**	**52,02,339**
Cash flow from investment activities		
Sales of shares-marketable investment	16,24,81,961	26,78,58,607
Purchase of shares-marketable investment	(14,87,35,595)	(24,05,36,971)
Share application money deposited	(1,52,00,000)	(5,17,00,000)
Shares application money refunded	2,10,00,000	4,37,00,000
Net cash inflow/(outflow) from investment activities	**1,95,46,366**	**1,93,21,636**
Cash flow from financing activities		
Other liabilities (Share money deposit and others)	(11,85,739)	(12,90,000)
Dividend paid	(2,94,17,918)	(2,43,20,864)
Net cash inflow/(outflow) from financing activities	**(3,06,03,657)**	**(2,56,10,864)**
Net cash flow increase/(decrease)	**(59,93,450)**	**(10,86,889)**
Cash equivalent at beginning of the year	3,69,34,318	3,80,21,207
Cash equivalent at end of the year	**3,09,40,868**	**3,69,34,318**
Net Operating Cash Flow Per Unit (NOCFPU)	**0.10**	**0.10**

General Information:

Sponsor	ICB Capital Management Ltd.
Trustee	Investment Corporation of Bangladesh
Custodian	Investment Corporation of Bangladesh
Auditor	Khan Wahab Shafique Rahman & Co.
Banker	IFIC Bank Ltd. Principal Br. Dhaka.

Other Financial Information:	**June 30, 2018**	**June 30, 2017**
Dividend (cash)	6%	6%

The detailed annual report is available for inspection at the Head Office of ICB Asset Management Company Ltd. Interested Investors can collect a copy of annual report on payment of Tk. 20.00 only.

Sd/-	Sd/-	Sd/-
Asset Manager	**Trustee**	**Khan Wahab Shafique Rahman & Co.**
ICB Asset Management Company Ltd.	**Investment Corporation of Bangladesh**	**Chartered Accountants**

ICB AMCL Second Mutual Fund
Notes on the financial statements
For the year ended June 30, 2018

1.00 Legal status and nature of business:

The ICB AMCL Second Mutual Fund was established under a Trust Deed executed on April 06, 2009 between the ICB Capital Management Ltd. (ICML) as 'Sponsor' and the Investment Corporation of Bangladesh (ICB) as 'Trustee' and 'Custodian' The Fund was registered with the Bangladesh Securities and Exchange Commission (BSEC) on May 14, 2009 under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (wgDP¨qvj dvÛ) wewagvjv 2001. The prospectus was approved by the BSEC on July 09, 2009 in accordance with the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (wgDP¨qvj dvÛ) wewagvjv 2001. The operation of the Fund commenced on October 13, 2009.

ICB Asset Management Company Ltd. (ICB AMCL) is the Manager of the Fund. The ICB AMCL was created as part of the restructuring programme of ICB under Capital Market Development Programme (CMDP) initiated by the Government of the Peoples' Republic of Bangladesh and the Asian Development Bank (ADB). The Company was incorporated as a public limited company under the Companies Act, 1994 with the Registrar of Joint Stock Companies and Firms on December 05, 2000 with an authorized capital of Tk. 100.00 crore and a paid up capital of Tk. 2.00 lac which was subsequently increased to Tk. 39.37 crore. Registration of the Company with the SEC has been completed on October 14, 2001. The Company became operational from July 01, 2002 as per government gazette notification.

The ICB AMCL Second Mutual Fund is a close-end Mutual Fund of 10 years tenure. The objectives of the Fund are to provide attractive dividend to the unit holders by investing the proceeds in the Capital Market and Money Market. The Fund is listed in the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE). The units of the Fund are transferable.

2.00 Significant Accounting Policies:

2.01 Basis of preparation of accounts:

These financial statements have been prepared under historical cost convention in accordance with generally accepted accounting principles as laid down in the International Accounting Standards (IASs)/International Financial Reporting Standards (IFRSs), applicable to the Fund so far adopted by the Institute of Chartered Accountants of Bangladesh as Bangladesh Accounting Standards (BASs)/Bangladesh Financial Reporting Standards. The disclosures of information made in accordance with the requirements of Trust Deed, Securities and Exchange Rules 1987 and other applicable Rules and regulations.

2.02 Investment:

(a) All purchases and sales of securities that require delivery within the time frame established by regulation or market convention are recognized at the trade date. Trade date is the date on which the Fund commits to purchase or sell the investments.

(b) Bonus entitlements, if any, are not accounted for as income rather included in the portfolio to reduce the average cost.

2.02.01 Valuation of investments:

The market value of the listed securities are valued at average closing quoted market price on the stock exchanges on the date of valuation ie, on June 30, 2018.

As per requirement of IAS 32 (BAS 32) the financial assets must be classified whether it is debt instrument or equity instrument and the subsequent measurement of financial assets will be based on this classification as per IAS 39 (BAS 39). Debt instruments would normally be measured at fair value through profit and loss, but could be measured at amortised cost if they have been shown to do so, provided the passing of "business model test" and "contractual cash flow characteristics test". Equity instruments would be measured at "fair value through profit and loss" or "fair value through comprehensive income", provided that the equity instrument cannot be held for trading and there must be an irrevocable choice for this designation up on initial recognition.

Considering the volatility of the stock markets in Bangladesh, the fund measures and recognize the investment in financial assets at cost. If the fund measures and recognize the financial assets at fair value through the recognition of fair value gain in the profit and loss account and distributes the 70% of this gain among unit holders (Rule 66 of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (wgDP¨qvj dvÛ) wewagvjv 2001), there would not be any option open to the fund to adjust the fair value losses in case of unlikely circumstances in the subsequent period.

2.03 Taxation

The income of the Fund is exempted from income tax as per SRO no. 333 Dated 27.10.2011.

2.04 Provision for Marketable Investments:

The investments have been valued on aggregate portfolio basis and a provision is required to be made considering overall decrease in the value of the investments.As stated in Note 3.01 there is a deficit of Tk. 23,14,52,678 in the market value of shares as on June 30, 2018 in comparison to the cost price. To meet any future unforeseen diminution in the value of the investment portfolio over the cost, the management has established a policy of making a general provision out of its profit and has set up an accumulated general provision for for Tk. 10,92,95,419. (see Note 8.00).

Provision against unrealized losses arising from investment in mutual fund units are maintained as per Bangladesh Securities and Exchange Commission directive no. SEC/CMRRCD/2009-193/172 as on 30 June 2015. Provision is calculated as, Required Provision (RP)= Average cost price (CP) - NAVcmp*85%.

2.05 Dividend policy:

As per Rule 66, of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (wgDP¨qvj dvÛ) wewagvjv 2001, the Fund is required to distribute in the form of dividend to its unitholders an amount which shall not be less than 70% of annual profit during the year net of provisions.

2.06 Management fee

ICB Asset Management Company Ltd, the management company of the Fund is to be paid an annual management fees on weekly average net asset value (NAV) as per Rule 65 of the সিকিউরিটিজ ও এক্সচেঞ্জ Kwgkb (wgDP¨qvj dvÛ) wewagvjv 2001 and Trust Deed at the following rates:

NAV (Taka)	**Rate (%)**
Not exceeding Taka 5 crore	2.50%
Exceeding Taka 5 crore and up to Taka 25 crore	2.00% on additional amount
Exceeding Taka 25 crore and up to Taka 50 crore	1.50% on additional amount
Exceeding Taka 50 crore	1.00% on additional amount

2.07 Trusteeship fee:

The Trustee is entitled to an annual Trusteeship Fee @0.10% of the scheme size i.e. Tk. 500,000.00 on semi-annual basis during the life of the Fund.

2.08 Custodian fee:

The Custodian is entitled to receive a safekeeping fee @ 0.10% on the balance of securities calculated on the average month end value per annum.

2.09 Registration and other charges/annual fee to SEC:

As per Rule 11 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (wgDP¨qvj dvÛ) wewagvjv 2001, Fund is required to pay an annual fee to SEC an amount equal to @ 0.10% of the Net Asset value of the Fund. As per listing regulations the Fund is required to pay amount equal to @ 0.05% of the Fund to each stock exchanges as annual listing fee.

2.10 Revenue reorganization:

Gains/losses arising on sale of investment are included in the Revenue Account on the date at which the transaction takes place. Cash dividend and interest income are recognised on accrual basis.

		Amount in Taka	
		June 30, 2018	June 30, 2017
3.00	**Marketable Securities (At Cost):**		
	Equity shares (Note 3.1)	68,58,26,446	67,17,62,719
		68,58,26,446	**67,17,62,719**

3.01 Sector wise break up of investments in shares is as follows:

Sector/category	No of shares	Total cost price (Tk)	Total market price (Tk)	Difference excess (short)
Banks	25,40,750	5,03,83,896	4,14,56,588	(89,27,309)
Investment/fund	11,20,396	1,10,58,809	1,21,78,295	11,19,486
Engineering	10,25,065	7,49,33,924	4,72,85,162	(2,76,48,762)
Food and Allied products	2,00,250	89,53,913	83,64,125	(5,89,788)
Fuel & Power	12,03,531	8,63,71,649	6,83,27,412	(1,80,44,237)
Textiles	16,34,099	3,75,45,271	2,33,77,163	(1,41,68,108)
Pharmaceuticals	6,38,500	7,94,32,079	7,28,77,125	(65,54,954)
Services	2,96,570	2,40,69,156	78,29,047	(1,62,40,109)
Cement	3,01,000	3,31,80,813	2,20,28,600	(1,11,52,213)
Information technology	92,852	25,48,205	21,03,098	(4,45,107)
Ceramic	3,41,167	2,05,32,059	1,25,84,176	(79,47,882)
Insurance	16,79,652	5,91,55,373	3,84,58,496	(2,06,96,877)
Telecommunication	10,000	29,60,130	38,82,000	9,21,870
Travel and Leisure	2,19,760	62,63,699	33,82,531	(28,81,168)
Finance and leasing	38,52,263	12,40,47,446	6,60,39,117	(5,80,08,328)
Corporate bond	5,500	52,00,600	52,53,875	53,275
Miscellaneous	6,93,882	5,91,89,424	1,89,46,958	(4,02,42,466)
	1,58,55,237	**68,58,26,446**	**45,43,73,769**	**(23,14,52,678)**

		June 30, 2018	June 30, 2017
4.00	**Cash at Bank :**		
	IFIC Bank Ltd Principal Branch (STD account)	21,22,281	87,78,621
	IFIC Bank Ltd Principal Branch (Escrow account)	2,24,88,640	2,26,20,384
	IFIC Bank Ltd Federation Branch (D/A -09-10)	4,96,940	4,78,164
	IFIC Bank Ltd Federation Branch (D/A -10-11)	7,78,791	7,48,992
	IFIC Bank Ltd Federation Branch (D/A -11-12)	15,04,620	14,68,710
	IFIC Bank Ltd Principal Branch (D/A -13-14)	9,84,929	9,43,269
	IFIC Bank Ltd Principal Branch (D/A -14-15)	7,36,636	7,06,699
	IFIC Bank Ltd Principal Branch (D/A -15-16)	7,36,381	7,28,434
	IFIC Bank Ltd Principal Branch (D/A -16-17)	6,11,344	-
	Sub Total	**3,04,60,562**	**3,64,73,273**
	Foreign currency accounts: (4.01)		
	IFIC Bank Ltd Principal Branch (USD) (Note 4.01)	4,29,062	4,12,701
	IFIC Bank Ltd Principal Branch (GBP) (Note 4.01)	12,622	11,985
	IFIC Bank Ltd Principal Branch (EUR) (Note 4.01)	38,622	36,359
	Sub Total	**4,80,306**	**4,61,045**
	Total cash at Bank	**3,09,40,868**	**3,69,34,318**

4.01 The above foreign currency accounts were opened/maintained for collection/refund of share application money (unit capital) from non-resident Bangladeshis, as per bank statements their closing balances were USD 5,126.19, GBP 114.18 and EUR 394.96 respectively at 30 June 2018, awaiting for clearance and the conversion rate of BDT with foreign currency are as follows USD 83.70 GBP 110.542600 and EUR 97.786700.

		Amount in Taka	
		June 30, 2018	June 30, 2017
5.00	**Other current assets:**		
	Dividend receivable	16,13,399	8,66,864
	Interest receivable	4,33,000	-
	Receivable for share sold	2,93,120	-
	Share Application Money	22,00,000	80,00,000
	Securities and other deposits	4,00,000	4,00,000
		49,39,519	**92,66,864**
6.00	**Unit capital:**		
	5,00,00,000 number of units of Tk 10 each in circulation.	**50,00,00,000**	**50,00,00,000**
7.00	**Reserve and surplus**		
	Dividend equalization reserve (Note 7.01)	1,81,09,300	1,81,09,300
	Retained earning (Note 7.02)	6,57,93,082	6,48,80,881
		8,39,02,382	**8,29,90,181**
7.01	**Dividend equalization reserve**		
	Balance as at July 01	1,81,09,300	1,15,00,000
	Addition during the year	-	66,09,300
	Balance as at June 30	**1,81,09,300**	**1,81,09,300**
7.02	**Retained earning**		
	Balance as at July 01	6,48,80,881	6,31,69,680
	Less: Last year dividend	3,00,00,000	2,50,00,000
	Add/(Less): Last year adjustment	4,086	59,070
	Less: Transferred to Dividend equalization reserve	-	66,09,300
		3,48,84,967	**3,16,19,450**
	Add: Addition during the year	3,09,08,115	3,32,61,431
	Balance as at June 30	**6,57,93,082**	**6,48,80,881**
8.00	**Provision for Marketable Investments**		
	Opening balance	10,42,29,927	9,62,26,634
	Add: provision for investment in Mutual Fund	65,492	3,293
	Add: provision for other investment	50,00,000	80,00,000
	Total provisions (Note 2.04)	**10,92,95,419**	**10,42,29,927**
9.00	**Current liabilities**		
	Management fee payable to ICB AMCL	91,03,489	85,91,734
	Custodian fee payable to ICB	4,99,822	4,65,777
	Annual Fee Payable (SEC)	7,738	25,139
	Audit fee	17,250	17,250
	Share application money refundable	7,25,806	19,11,545
	Payable for share purchase	-	21,54,503
	Dividend payable (note 9.01)	1,81,46,927	1,75,64,845
	Others	8,000	13,000
	Total current liabilities	**2,85,09,032**	**3,07,43,793**
9.01	**Dividend payable**		
	Dividend payable 2009-10	92,78,097	92,78,097
	Dividend payable 2010-11	46,49,413	46,49,413
	Dividend payable 2011-12	13,64,250	13,66,750
	Dividend payable 2013-14	8,06,500	8,09,750
	Dividend payable 2014-15	7,16,118	7,19,368
	Dividend payable 2015-16	7,26,487	7,41,467
	Dividend payable 2016-17	6,06,062	-
		1,81,46,927	**1,75,64,845**

		Amount in Taka	
10.00	**Interest on Bank deposits and Bond:**	**June 30, 2018**	**June 30, 2017**
	Interest on Short Term deposit	16,56,081	16,94,551
	Interest on Listed Bond	4,33,000	4,47,000
		20,89,081	**21,41,551**

11.00	**Other operating expenses:**		
	Printing and stationary	26,975	28,997
	Postage and Telegram	-	3,024
	Bank charges and excise duty	63,846	33,153
	Publicity Expense	2,65,857	2,66,609
	Dividend distribution expenses	27,320	31,147
	CDBL Fee & Connection charge	1,06,000	1,06,000
	IPO application expenses	43,000	-
	CDBL Charges	40,976	1,80,157
	Others	20,382	24,852
		5,94,356	**6,73,939**