

EDGEAMC.COM

MASTER GUIDE TO MUTUAL FUNDS

2024



Preface

Mutual funds can be a powerful tool for growing your wealth; however, the world of finance can be difficult to navigate for many investors. Globally, mutual funds have grown to become a very popular investment vehicle, with the global industry size standing at around USD66 trillion in 2022. The total assets under management (AUM) in the mutual fund industry in the United States during that period stood at ~USD27 trillion (105.9% of GDP) and in India, USD510 billion (15.1% of GDP). In sharp contrast, Bangladesh's mutual fund industry is still at a nascent stage, with AUM standing at only USD2 billion (0.4% of GDP).

EDGE Asset Management aspires to improve access to investment opportunities by matching investors to the right investment products. We aim to achieve this feat by introducing great investment products as well as by improving financial literacy.

With the vision to actively increase financial literacy, we are publishing the EDGE Master Guide to Mutual Funds to demystify mutual funds, enabling everyday people to benefit from such a great investment vehicle.

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1. What is a Mutual Fund?

A mutual fund is an investment vehicle that pools money from a number of investors who share a common investment objective and then invests the same in securities like stocks, bonds, money market instruments, and other assets. The investors who invest in mutual funds are proportionate owners of the fund.

The gains or income generated from this collective investment vehicle is distributed proportionally to the investors after deducting applicable expenses and fees, based on the fund's "Net Asset Value" (NAV).

2. Types of Mutual Funds

2.1 Types of Funds Based on Structure

Structure-wise, broadly all mutual funds fall into two categories:

- I. Open-ended fund
- II. Closed-end fund

Open-ended fund: Units in an open-ended fund can be bought from the fund's asset manager and sold to them at any time. The units are bought or sold at their latest price—which is commonly referred to as the Net Asset Value (NAV). However, there could be some deviations from the NAV depending on the fund manager.

Here, all transactions happen exclusively between the asset manager and the investor throughout the operation of the fund—which is essentially perpetually running. The vast majority of mutual funds around the world are open-ended as this structure offers better investor protection. All mutual funds offered by EDGE AMC Limited are also open-ended.

Closed-end fund: Units in a closed-end fund can be bought from the fund's asset manager only once when they launch the fund, and the purchased units can be sold directly to the asset manager once as well, only when the fund's predetermined lifetime (period of operation) comes to an end.

However, before the fund's lifetime ends, an investor can buy or sell units of the fund on an exchange like the Dhaka Stock Exchange (DSE), where investors can trade the units among themselves at whatever price the units fetch.

In the case of closed-end funds, all transactions—after their launch and before their lifetime ends—can happen only on exchanges between private investors.

2.2 Types of Funds Based on Asset Class

From a portfolio perspective, all mutual funds can again be categorized into different types based on asset class:

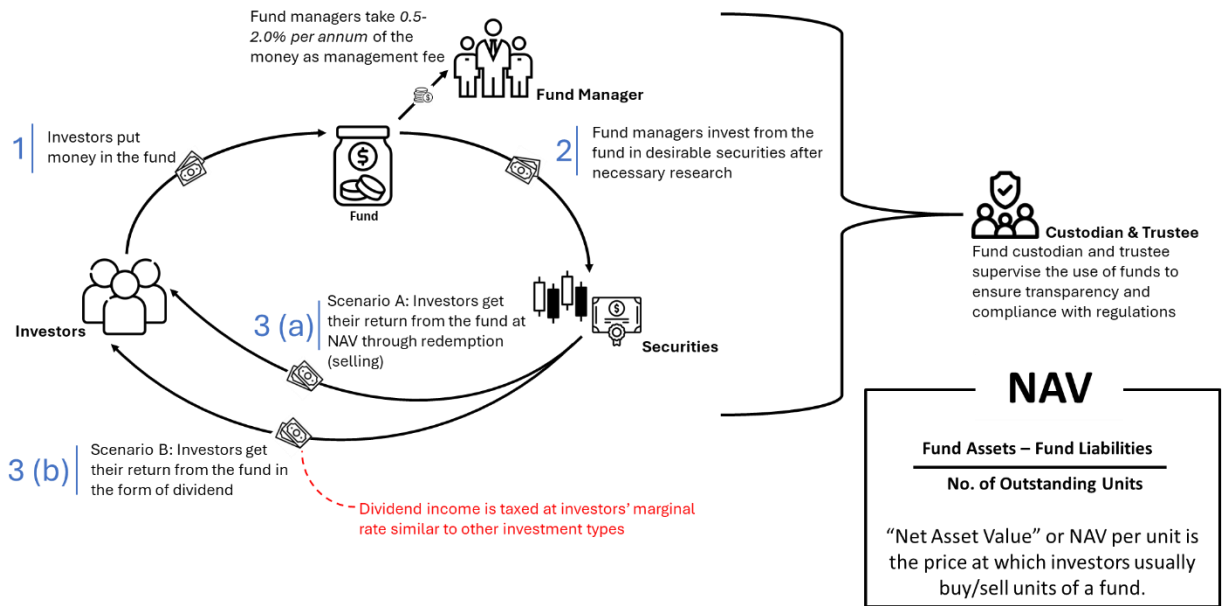
- a. **Equity fund:** Equity funds invest only or mostly in equities or stocks. Furthermore, there are different types of equity funds based on specialization, such as growth stocks, value stocks, large-cap stocks, mid-cap stocks, small-cap stocks, or a combination of these stocks.
- b. **Fixed-income fund:** Fixed-income funds invest only or mostly in debt securities that pay a fixed rate of return. The return of the fund is not fixed but the underlying securities owned by the mutual fund usually have fixed rates of return. Fixed income funds have lower risk and return compared to equity funds.
- c. **Money market fund:** Like fixed-income funds, money market funds also invest in debt securities but short-term debt securities such as Treasury bills, short-tenor government bonds, etc. Money market funds are more liquid than fixed-income fund but also give lower returns.
- d. **Balanced fund:** Balanced funds, as the name suggests, invest in a mix of equities and fixed-income securities to maintain a desired risk-return profile (typically, 60% equity and 40% fixed-income ratio).
- e. **Index fund:** An index fund follows a specific index or group of securities and performs mirroring it.
- f. **Specialty fund:** A specialty fund focuses on a specific industry or market such as pharmaceuticals, financials, telecom, etc.

2.3 Types of Funds in Bangladesh

In Bangladesh, however, most mutual funds are structured as personalized variations of these categories of funds. The most prevalent types of mutual funds in Bangladesh are the following:

- a. **Growth fund:** It's an equity fund variant with majority exposure to equities.
- b. **Balanced fund:** Balanced funds in Bangladesh follow the same almost equally split portfolio of equities and fixed-income securities.
- c. **Fixed-Income fund:** In Bangladesh, fixed-income funds are mostly structured as a combination of the money market fund and the fixed-income fund.
- d. **Shariah-Compliant fund:** Shariah-Compliant funds can be both equity and fixed-income focused funds based on the primary criteria of investing in Shariah-compliant securities.

3. Mutual Fund Operational Structure & Mechanism



3.1 Mutual Fund Operational Structure

A mutual fund primarily has three entities in its operational framework in the Bangladesh market. They are the Asset Management Company (AMC), the Trustee, and the Custodian, where all three have to be authorized by the Bangladesh Securities and Exchange Commission (BSEC) and function together as per BSEC’s prescribed regulations.

The AMC, as the sponsor, brings in capital to form the mutual fund(s). AMCs play the role of an asset manager while also acting as the sponsor by arranging capital for the formation of mutual funds. The trustee oversees the AMC’s administration of the mutual fund(s) to ensure compliance with BSEC regulations, and the custodian, appointed by the trustee, holds the mutual fund(s) assets for safekeeping and keeps records of all capital inflows and outflows from the funds. Simply put, the custodian has custody of all the shares and other securities bought by the AMC and records all transactions by the AMC.

In summary, these three entities—the AMC, the Trustee, and the Custodian—function together to operate mutual funds.

3.2 Mutual Fund Mechanism

For the sake of simplicity, we showed a mutual fund’s mechanism with an open-ended mutual fund in the above illustration.

In our illustrated example, the AMC takes money from interested investors, who can be both general individuals and institutions, to invest the collected funds on their behalf with the aim of generating good returns. Once funds are collected in the AMC’s mutual fund(s), the AMC—acting as the asset

manager—invests the collected funds in specific securities as particularly mandated by the fund(s). The asset manager (AMC) takes 0.5%–2.0% of the money or funds they manage on behalf of their investors as a *management fee per year*. Any return on the investments reaches the respective investors in two ways: i) either through redemption (selling) of their units at the current Net Asset Value (NAV) per unit, or ii) in the form of dividend income. When investors receive returns through selling their units at the NAV, they realize the returns as they're able to sell their units at a NAV higher than the NAV at which they bought their units in the case of positive returns. On the other hand, receiving returns in the form of dividend income can be irregular, as dividend disbursement by the AMC is subject to the profitability of its funds. One can even choose to reinvest their returns in the fund(s).

We will elaborate on reinvesting returns in the '[Investing in Mutual Funds](#)' section.

4. Benefits and Advantages of Mutual Funds

Aside from country-specific regulatory benefits, the benefits and advantages of investing in mutual funds are more or less the same across different types of mutual funds. The main general benefits of investing in any mutual fund are:

- **Access to Expert Fund Management with Little Cost**

By investing in the right mutual funds, investors can gain access to the best investment professionals in the country who can deliver good returns on their investments—which can be as low as BDT5,000—in exchange for only 0.5–2.0% per annum in fees.

With an investment of as little as BDT5,000 one can get exposure to a diversified investment vehicle.

Furthermore, the mechanism of mutual funds allows for easy tracking of their performance by simply checking their NAV every week rather than monitoring the prices of various stocks or securities.

Other than such small-ticket exposure, mutual funds enable you to increase the value of your position/exposure by investing small amounts periodically, either through SIP (Systematic Investment Plan) or at any random time of your choosing. Typically, people drawing monthly salaries go for SIP as a savings alternative.

- **Investor protection**

Due to their structure, mutual funds' investments are considered quite secure. Fund trustee and fund custodian ensure client assets are not held by the asset manager and that the asset manager acts in the best interest of the investors. The securities regulator brings in an added layer of compliance. Funds get audited every year and the fund manager has to share portfolio and financial statements every quarter.

Despite a secure structure, there are occasional lapses where client protection is not guaranteed. These are not a function of the structure but rather poor enforcement of the existing rules. By choosing ethical fund managers, investors can avoid these problems.

- **Tax benefits**

Investments in mutual funds are eligible for different tax benefits. All capital gains are tax free for individuals. In addition, investments in mutual funds by individuals qualify for investment tax rebates of up to max BDT75,000 (by investing up to BDT 500,000 per year), further reducing tax burden. For institutions the capital gain tax rate is 10%.

Investor Type	Capital Gains Tax Rate	Maximum Tax Rebate
Individual	0%	BDT75,000
Institution	10%	NA

- **Liquidity**

With the exception of some mutual funds and aside from factors like an exit-load, a mutual fund investor could redeem (sell) their units at any point in time. Such flexible withdrawal allows investors to convert their units in the fund into cash anytime, making mutual funds a very liquid investment vehicle in general.

5. Who can Invest in Mutual Funds?

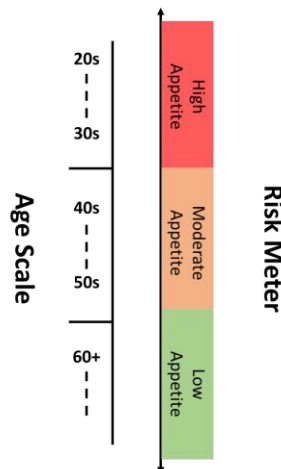
One good aspect of Mutual Funds is that the low-upfront capital requirement and convenient access to them make it possible for almost anyone to invest in them. However, which type of mutual fund would be more appropriate for someone will depend on the expectations and plan of the person in question.

The suitability of a fund will narrow down to primarily the risk level an investor is willing to undertake; in other words, an investor's risk appetite. Because different asset management companies offer personalized mutual funds to varying degrees, the filtering to find the appropriate fund will differ from AMC to AMC based on personal preference. But, in general, the risk levels of mutual funds are broadly based on three categories—

- Equity-focused funds
- Debt-focused funds, and
- Balanced funds

Type	Risk Level	Return Potential
Equity Focused Fund	High	High
Balanced Fund	Moderate	Moderate
Debt Focused Fund	Low	Low

The more equity-concentrated a fund is, the riskier it is. Likewise, the more debt-concentrated a fund is, the less risky it is. Balanced funds, that is, funds with almost equal concentrations in both equity and debt securities, will represent moderate levels of risk. Ideally, an investor’s risk appetite will match the risk level of mutual funds. That is why someone who wants more certain and less volatile returns will go for debt-focused/fixed-income funds most likely, and, on the other hand, someone targeting volatility-driven higher returns will go for equity-focused funds.



Although the risk level or capacity of a person depends on their available capital and short-term needs, as an evidence-backed rule of thumb—the younger one is, the more risk they should be able to take, and the older one is, the less risk they should be able to take. The reason behind this is that

Portfolio Allocation		
Age Bracket	100-Age Rule	
	Equity	Fixed-Income
20s	80%	20%
30s	70%	30%
40s	60%	40%
50s	50%	50%
60+	40%	60%

in your younger years such as the 20s and 30s, you have more time to earn, less money to lose, and fewer as well as smaller expenses in general. And as you get into older age brackets such as your late 40s and beyond, the time available to you to make money will decrease, but you'll likely have accumulated a relatively sizeable amount of wealth over the span of your working years that will require conservative handling as that will be the sole means for more significant expenses for most people in their late years.

A popular method used globally is the 100-Age rule where you allocate the percentage to equities that you get from deducting 100 from your age. For the sake of simplification, the beginning age has been deducted for each age bracket in the above table, e.g., 20 for the 20s, 30 for the 30s, and so on. This rule follows portfolio allocation based on the average risk appetite by age, allowing the risk factor of one's portfolio to be systematically adjusted over time.

However, we feel that the 100-Age rule may be too aggressive for Bangladeshi investors. The equity basket is narrower in Bangladesh and there is no scope to invest globally. Hence, investors should opt for a more conservative allocation than one suggested by 100-Age Rule.

Other than risk appetite, long-term plan is another key determinant in filtering for appropriate funds. Here, long-term plan refers to the target amount one aims to reach over a certain period for whatever purpose it may be. Ultimately, the suitable fund or portfolio allocation will be the middle ground between one's risk appetite and long-term target amount. For example, someone planning to reach a somewhat sizable amount of money over a short period but having a low-risk appetite will most probably match with a balanced fund variant that invests almost equally in equities and fixed-income securities but with a higher exposure to equities.

Aside from these two key determinants, secondary factors include mostly personal preferences like preferred kinds of securities, e.g., only financial sector securities, shariah-compliant securities, dividend-paying stocks, etc., preferred fund characteristics such as facilities and benefits on offer, and other preference-based factors.

6. How Should an Investor Choose Mutual Funds?

While previously discussed determinants like risk appetite and the long-term plan will help narrow the focus, they alone are not enough for fund comparison, as similarly designed multiple funds are present in the market but won't necessarily represent the same quality in terms of performance and accountability.

The following indicators will help guide you in deciding between funds—

- **Owners:** The track record and experience of the owners of the operating asset management company will determine how trustworthy a mutual fund's operations are. The cleaner and more successful the owners' track record, the more likely their mutual funds will produce good results through a dependable operation. Of course, when comparing, an ethical track record takes precedence over performance.

- **Management Team:** The management team's expertise and experience are linked to the likelihood of good mutual fund performance. A competent decision-making team with ethical grounding will support good performance.
- **Return History:** The return history of a mutual fund or asset management company reflects the fund managers' efficacy and consistency. To get an accurate picture of a mutual fund, it's important to compare its historical performance with that of other funds within the same category in the local industry. Aside from growth, it's also useful to consider how much less or more a fund has lost in comparison to its peers during down-trending periods.
- **Fees & Expenses:** An important but often overlooked indicator is the fee. Fees must be considered in the evaluation process because extremely high fees can eat into even good returns, making them less attractive. Ideally, mutual fund management fees are in the range of 0.5%-2.0% per annum.

On the expense side, the expense ratio, which is obtained by dividing total fund operation costs by total fund assets, can show you how efficiently funds are managed.

- **Reporting:** An important indicator of accountability is the NAV calculation, the auditing of financial statements, and the reporting frequency.
 - It's important to check whether the NAV calculation is supported by market fundamentals.
 - Another thing to check is if the financial statements are routinely audited by reliable auditors and whether timely mandatory financial disclosures, e.g., quarterly reports, annual reports, portfolio statements, etc., are made.

7. Investing in Mutual Funds

While there are various ways to invest in mutual funds, the investing process essentially boils down to completing an application form required for collecting necessary information and record-keeping and sending your investment amount to the desired mutual fund's bank account.

In the case of closed-end mutual funds, since units are issued only at the time of the initial offer, investors can't buy units directly from the fund after the initial offer. Instead, investors owning the units can trade them on the stock exchange, where others can buy or sell these units at a premium or discount to the fund's NAV (unit price).

Documentation needed for investing in mutual funds:

- National Identity Card (also called NID; for both investor and nominee)
- Bank Account
- BO Account

Additionally, while an E-Tin Certificate is not mandatory, it is highly recommended, as the inclusion of an E-Tin Certificate will ensure a lower tax rate at source (10% vs 15%) for any dividends.

Other than this exception, in general, one can invest in mutual funds in the following ways—

- **Investing through Online Platforms:** Most mutual fund providers these days have online portals through which anyone can invest in mutual funds with just a few clicks and without any hassle. These portals typically automatically set up your BO account if you haven't opened it yet and also provide you with the convenience of having your application form automatically filled out by pulling data from your NID, E-Tin Certificate, and bank account. Many mutual fund distributors these days also have online platforms where anyone can invest in mutual funds digitally.
 - You can find a [demonstration of what investing through an online platform could look like](#) in the appendix.
- **Investing directly through the mutual fund provider:** There's also always the old option of visiting the mutual fund provider's office and investing in their fund(s) by physically filling out the application form.
- **Investing through an authorized distributor:** Third party platforms acting as distributors for EDGE Mutual Funds can be used to buy our mutual funds.

In terms of execution, one can invest in two ways:

- i. Lump Sums
- ii. Systematic Investment Plan (SIP)

A lump sum, as the term suggests, is a one-time investment in their desired mutual fund. For investors who have surplus liquid capital to invest, a lump sum investment would be the rational decision. Depending on market conditions and future liquidity needs, the investor can choose an allocation consisting of equity and fixed income funds while making the lump sum investment.

7.1 Systematic Investment Plan (SIP)

A SIP is an investment scheme through which investors make equal payments into a mutual fund at fixed intervals (usually, every month) over a certain period. Normally, in Bangladesh, the minimum payment or installment size is BDT 5,000 for individuals and BDT 10,000 for institutions.

One could withdraw investments through SIP anytime or liquidate on the maturity of their SIP tenure.

7.2 Difference between SIP and Lump Sum Investment Mode

	Investment Mode	Capital Requirement	Appropriate Goal	Flexibility	Volatility
SIP	Fixed Intervals	Low because it's spread over a long period	Long-Term	High because you have to invest in small installments	Low because it's spread over a long period, balancing out volatility
Lump Sum	One-Time	High because it's done in a single transaction	Short-Term in most cases, but can be long-term as well	Low because you usually need to have bulk surplus money	Could be high due to wrong timing

The SIP is especially suitable for salaried people or people with recurring income due to its long-term continual small installment nature.

8. Other Nuances

Cumulative Investment Plan (CIP): The CIP is a dividend reinvestment plan, where dividend payout is used to buy—

- i. New units (Dividend Reinvestment Option), or
- ii. More securities, e.g., stocks, debt instruments, etc. (Growth Option)

The option to buy new units with a dividend payout is commonly called the Dividend Reinvestment Option, and the option to buy more securities is called the Growth Option. However, because of sharing the same impact on the total return, both options are considered growth boosters.

Essentially, when a dividend payout is announced, investors have the option to get new units issued against their due dividend or let the fund reinvest it in more securities instead of taking the dividend in cash.

Most mutual funds offer this facility, which is implemented at the investor's discretion. When this facility is taken, the dividend is automatically reinvested every time.

	Long-Term Wealth Creation?	Regular Income?	Higher Growth?
CIP suitability	✓	✗	✓

The suitability of CIP for anyone comes down to whether they have a long-term wealth goal and if they expect regular income from dividend payouts. If someone is targeting long-term wealth generation, the compounding growth from reinvestment will propel higher growth in the long run.

On the other hand, if someone is looking for regular income, they can opt for dividend payouts. But it's important to note that dividend income is not always guaranteed as it is subject to the performance of the securities in the fund's portfolio. In this case, investors interested in dividend income may look for funds more geared toward dividend-paying securities. Fixed-income funds can be a good alternative for them.

9. Risks to Investing in Mutual Funds

Investments in mutual funds are a form of investment, and at the end of the day, like all investments, there are some risks attached to them. It goes without saying that a fund that invests in securities must bear the underlying risks of the securities. Nonetheless, because of how mutual funds operate and the expert decision-making behind their operation, risks are calculated and minimized to some extent, provided a fund is operated reliably.

However, investors need to know about the following types of risk:

- **Market Risk:** Market risk refers to the risk that prices of the underlying securities in the fund could fall. As an example, in an equity mutual fund if the stock prices drop significantly, it can bring down the NAV of the overall fund. Similarly, in a fixed income fund a substantial increase in interest rates can reduce the NAV if there is a lot of investments in long term bonds.

One way investors can protect themselves from market risk is via diversifying among different types of mutual funds. In addition, investors can try to formula future expectations of equity market and interest rates and make tactical allocation changes between the different fund types.

- **Liquidity Risk:** The risk of redeeming an investment at a loss on its initial value is known as liquidity risk. This risk is linked to market risk as well since the value of the portfolio of a mutual fund will depend on the state of the market. However, liquidity risk can also arise from large differences between the liquidity (convertibility to cash) of the fund's assets and liabilities. So, a fund's liquidity risk also depends on how it's managed.

The liquidity ratio—(Cash & Cash Equivalent / Total Assets)—is a good indicator that shows the liquidity risk of mutual funds. Although the ratio will vary from one type of fund to another, ideally it is in the range of 3%-5% for most funds.

A fund should have some cash on hand as a buffer to meet unexpected withdrawal requests and necessary expenses, but having too much cash on hand will result in the fund investing insufficiently.

- **Governance Risk:** Governance risk refers to the risks associated with the leadership and management team of a mutual fund. It is arguably the biggest risk when compared because, regardless of market conditions, the performance of a fund is ultimately determined by how it is managed. This is why, when selecting a mutual fund, it is critical to consider an expert, experienced, and ethical leadership and management team.

Appendix

EDGE Mutual Funds

EDGE Asset Management Ltd. has a range of mutual fund products with different risk-return dynamics and styles to fit the diverse needs of clients.

The table below summarizes the key differences between our different mutual funds.

Particulars	EDGE Bangladesh Mutual Fund	EDGE AMC Growth Fund	EDGE High Quality Income Fund	EDGE Al-Amin Shariah Consumer Fund
Fund Short Name	EDGEBDMF	EDGEAMCGF	EDGEHQIF	EDGEALAMIN
Inception Date	2 Aug 2018	5 Sep 2019	10 Feb 2019	11 Sep 2022
Strategy	Equity and Fixed Income	Equity	Fixed-Income	Shariah Equity
AUM (BDT mn)	247	212	358	200
NAV (per unit)	11.20	11.82	10.44	10.00
Cumulative Return Since Inception	47.4%	40.9%	10.5%	0.0%
Annualized Return Since Inception	7.3%	8.3%	5.4%	0.0%
SIP facility	Yes	Yes	Yes	Yes

* Data as of 21 Dec 2023

N.B. To see the latest information about our funds, please visit [our website](#), where we regularly report changes.

EDGE Bangladesh Mutual Fund

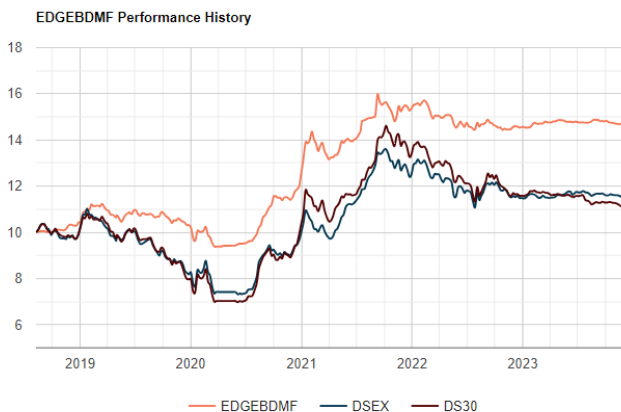
EDGE Bangladesh Mutual Fund (EDGEBDMF) is our flagship mutual fund. It provides investors with a balanced allocation between stocks and fixed-income securities.

EDGE Bangladesh Mutual Fund	
Type	Balanced
Risk Level	Moderate to Low
AUM (BDT mn)	247
Cumulative Return Since Inception	47.40%
Annualized Return Since Inception	7.30%
Inception Date	2 Aug 2018

The table and chart below summarize fund performance since inception.

	Since Inception	5 Year	3 Year	1 Year	6 Month	3 Month	YTD (Year-to-Date)
EDGE Bangladesh Mutual Fund	47.40%	43.25%	25.34%	0.96%	-0.20%	-0.47%	1.24%
DSEX	15.70%	19.03%	22.69%	0.35%	-0.52%	-0.86%	0.70%
DS30	16.60%	13.55%	17.91%	-4.98%	-1.86%	-1.86%	-4.57%

* Performance as of 21 Dec 2023



EDGE Bangladesh Mutual Fund (EDGEBDMF) provides a balanced allocation to both equity and debt securities where allocation is tilted based on the relative attractiveness of the two asset classes. The presence of debt securities helps reduce volatility, and downside risk and may also enhance return when the equity market trends downwards.

EDGEBDMF has a moderate to low-risk level. It is best suited for investors who do not want to manage their debt and equity allocations by themselves and who thus seek professional, dynamic fund management.

To invest in this fund, click [here](#).

EDGE AMC Growth Fund

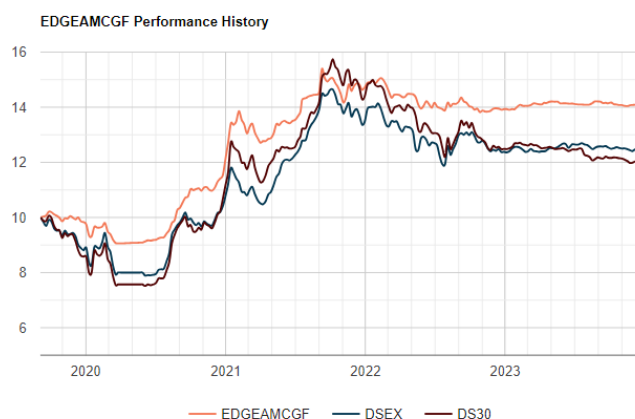
EDGE AMC Growth Fund (EDGEAMCGF) is the second mutual fund launched by EDGE AMC Limited. It is best suited for investors with a long investment horizon and moderate to high-risk appetite who want to compound their wealth.

EDGE AMC Growth Fund	
Type	Growth
Risk Level	Moderate to High
AUM (BDT mn)	212
Cumulative Return Since Inception	40.90%
Annualized Return Since Inception	8.32%
Inception Date	5 Sep 2019

The table and chart below summarize fund performance since inception.

	Since Inception	5 Year	3 Year	1 Year	6 Month	3 Month	YTD (Year-to-Date)
EDGE AMC Growth Fund	40.90%	-	24.80%	0.93%	-0.028%	-0.42%	1.15%
DSEX	24.70%	-	22.74%	0.40%	-0.48%	-0.80%	0.73%
DS30	19.10%	-	17.92%	-4.95%	-4.03%	-1.89%	-4.64%

* Performance as of 21 Dec 2023



EDGE AMC Growth Fund (EDGEAMCGF) features a larger allocation to equity investments. The company and sectoral concentrations are also higher than a balanced fund. The fund is expected to be more volatile than our balanced fund but can provide higher returns over a long investment horizon. EDGEAMCGF is best suited for investors with a long investment horizon and higher risk appetite and tolerance.

To invest in this fund, click [here](#).

EDGE High Quality Income Fund

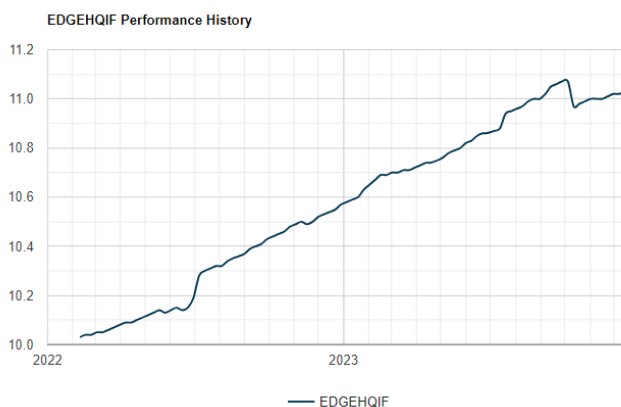
EDGE High Quality Income Fund is our sole dedicated fixed-income fund. This fund predominantly invests in government securities, corporate bonds, and fixed deposits. The only equity exposure is through IPOs.

EDGE High Quality Income Fund	
Type	Fixed-Income
Risk Level	Low
AUM (BDT mn)	358
Cumulative Return Since Inception	10.50%
Annualized Return Since Inception	5.43%
Inception Date	10 Feb 2022

The table and chart below summarize fund performance since inception. Since this fund started operating recently, enough data isn't available to benchmark it against the DSEX and DS30.

	Since Inception	5 Year	3 Year	1 Year	6 Month	3 Month	YTD (Year-to-Date)
EDGE High Quality Income Fund	10.50%	-	-	4.94%	1.845	0.00%	4.54%

* Performance as of 21 Dec 2023



EDGE High Quality Income Fund (EDGEHQIF) is a dedicated fixed-income fund. The fund has a diversified allocation to different types of fixed-income securities of various durations. We overweight certain types and durations based on their relative attractiveness and thus actively manage the portfolio.

EDGEHQIF is a substitute for fixed deposits or DPS products. Key advantages include ease of liquidation and income tax rebates; returns from IPOs are performance sweeteners. All investors can consider this product as a safe, short to medium-term vehicle.

To invest in this fund, click [here](#).

EDGE Al-Amin Shariah Consumer Fund

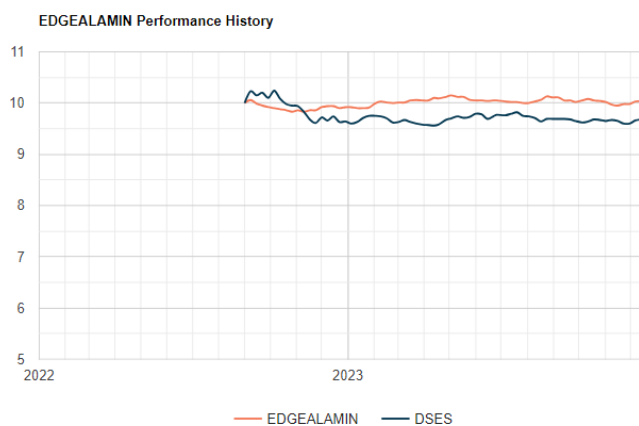
EDGE Al-Amin Shariah Consumer Fund is our sole Shariah Compliant Equity Mutual Fund. The fund also has a focus on the consumer sector.

EDGE Al-Amin Shariah Consumer Fund	
Type	Growth
Risk Level	Moderate to High
AUM (BDT mn)	200
Cumulative Return Since Inception	0.00%
Annualized Return Since Inception	0.00%
Inception Date	11 Sep 2022

The table and chart below summarize fund performance since inception. Since this fund started operating recently, enough data isn't available to provide a long enough comparison between this fund and the DSES.

	Since Inception	5 Year	3 Year	1 Year	6 Month	3 Month	YTD (Year-to-Date)
EDGE Al-Amin Shariah Consumer Fund	0.00%	-	-	0.60%	-0.40%	-0.50%	0.81%

* Performance as of 21 Dec 2023



EDGE Al-Amin Shariah Consumer Fund (EDGEALAMIN) is a Shariah-compliant equity mutual fund. Structurally an equity fund, it will follow strict Shariah filtering guidelines to comply with globally accepted Islamic Finance principles. We have a highly knowledgeable and capable Shariah Advisory Committee to guide us in this process.

EDGEALAMIN is tailor-made for Shariah-minded investors with a long investment horizon. The greater concentration of investments in high-quality names may induce some short-term volatility but this should be offset by higher returns in the long run.

To invest in this fund, click [here](#).

Example of Investing Process on EDGE AMC Ltd.'s Online Platform



Buy Units Invest in SIP Sell Units Wealth Statement

Funds	NAV	Buy/ Sell Price	Annualized Rtn Fund	Annualized Rtn DSEX
EDGE Bangladesh Mutual Fund	11.21	11.09	7.33%	2.73%
EDGE AMC Growth Fund	11.83	11.70	8.31%	5.25%
EDGE High Quality Income Fund	10.46	10.46	5.48%	
EDGE Al-Amin Shariah Consumer Fund	10.03	9.96	0.23%	-9.03%

Step-1: Choose investment mode: Lump Sum (Buy Units) or SIP

A. If the Lump Sum option is chosen:

Buy Fund

Buy and sell of units of EDGE Bangladesh Mutual Fund and EDGE AMC Growth Fund will remain closed for 2-3 weeks on account of book closing for the year ended on December 31, 2023.

i
Information**₹**
Payment**✓**
Confirm**👤**
Success

Investment's Information

Fund *
Please select a fund
Please select a fund
EDGE High Quality Income Fund
EDGE Al-Amin Shariah Consumer Fund

Unit price *

No of units *

Dividend *
CIP

First Nominee *
100%

I agree to pay 2% fees in case of liquidation in 60 calendar days

Next Step

Buy Fund

Buy and sell of units of EDGE Bangladesh Mutual Fund and EDGE AMC Growth Fund will remain closed for 2-3 weeks on account of book closing for the year ended on December 31, 2023.

i
Information**₹**
Payment**✓**
Confirm**👤**
Success

Investment's Information

Fund *
EDGE High Quality Income Fund

Amount *
50,000

Unit price *
10.46

No of units *
4780

Dividend *
CIP

First Nominee *
100%

Next Step

Step-2: Choose your desired mutual fund and then input your investment amount and other information.

Buy Fund

Buy and sell of units of EDGE Bangladesh Mutual Fund and EDGE AMC Growth Fund will remain closed for 2-3 weeks on account of book closing for the year ended on December 31, 2023.

Information
Payment
Confirm
Success

Payment

Deposit your investment amount to the following bank account of EDGE High Quality Income Fund.

Bank Account Name: **EDGE High Quality Income Fund**

Account No: **00081060000130**

Bank Name: **Midland Bank Limited**

Branch Name: **Dhanmondi**

Routing No: **285261185**

Transaction type:

Online Cheque Deposit


Select your bank, if you want to transfer the money using BEFTN or NPSB services:

BRAC Bank Limited

Alternatively, you can transfer from your app directly in the above bank account.

Upload your payment confirmation/ receipt to activate your investment

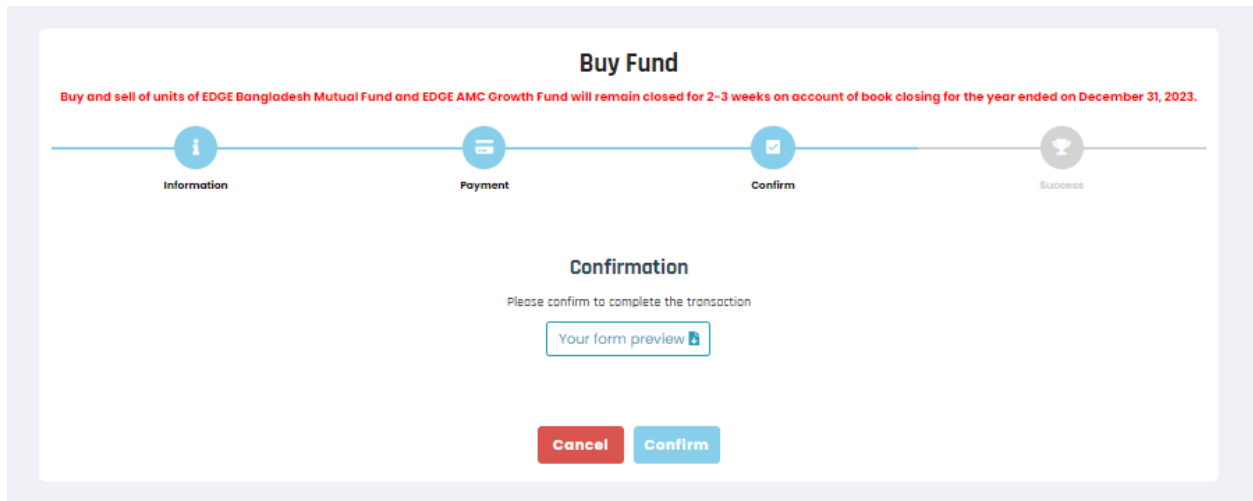
[Choose Files](#) Screenshot 2023-03-04 055926.png



Previous
Submit

Step-3: Choose whether you want to pay online or via cheque.

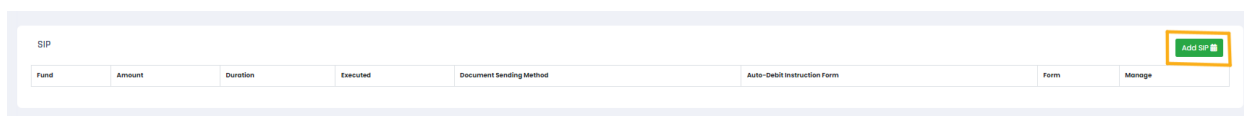
- i) If you choose the online option, you'll be redirected to your selected bank's website. After making the payment through your selected bank, upload your payment confirmation receipt.
- ii) If you choose the cheque option, you'll be asked to deposit your cheque into the mentioned bank account and then later upload the payment confirmation receipt on the platform.



Step-4: On the next page, you'll be given a preview of your completed application.

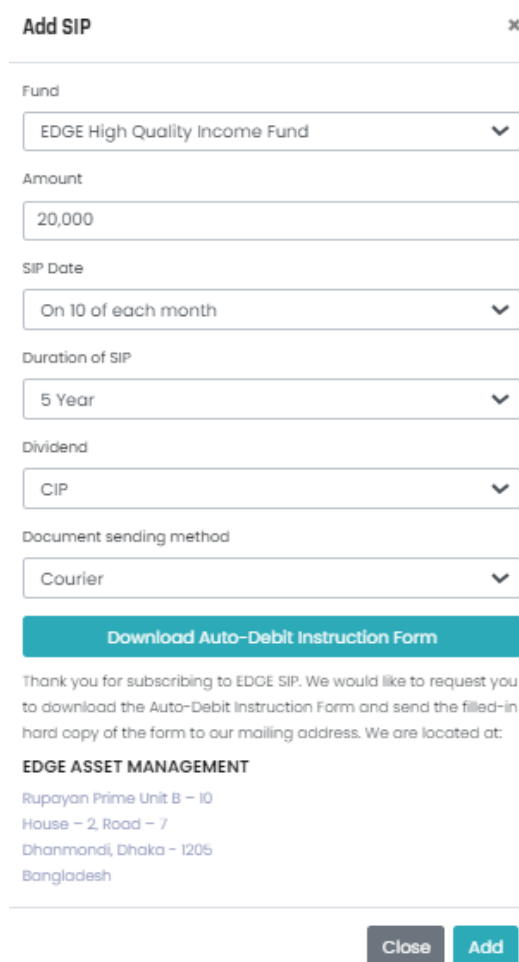
After clicking “Confirm”, your application will be submitted for review before the approval of your investment. If there aren't any irregularities, your investment will be approved within minutes, and you'll be allotted units as per your application. A confirmatory email with an invoice will be sent for the approved investment. However, there may be delays sometimes due to your bank taking time to clear your transaction.

B. If the SIP option is chosen:



Fund	Amount	Duration	Executed	Document Sending Method	Auto-Debit Instruction Form	Form	Manage
------	--------	----------	----------	-------------------------	-----------------------------	------	--------

Step-2: Click “Add SIP” to begin the process.



Add SIP ✕

Fund
EDGE High Quality Income Fund ▼

Amount
20,000

SIP Date
On 10 of each month ▼

Duration of SIP
5 Year ▼

Dividend
CIP ▼

Document sending method
Courier ▼

[Download Auto-Debit Instruction Form](#)

Thank you for subscribing to EDGE SIP. We would like to request you to download the Auto-Debit Instruction Form and send the filled-in hard copy of the form to our mailing address. We are located at:

EDGE ASSET MANAGEMENT
Rupayan Prime Unit B - 10
House - 2, Road - 7
Dhanmandi, Dhaka - 1205
Bangladesh

[Close](#) [Add](#)

Step-3: Choose your desired mutual fund and input your installment amount size, SIP duration/period, and delivery method for the “Auto-Debit Instruction Form” that must be downloaded by clicking the “Auto-Debit Instruction Form” button in this pop-up window.

As for the delivery method, you can courier it to the given mail address or request for it to be picked up from your place.



Serial No:

"Application Form" For Funds Transfer Debit Authorization Through BEFTN (Bangladesh Electronic Funds Transfer Network)

The Head of Branch
Midland Bank Limited
Branch

Date

Dear Sir,

Subject: Authorization to collect Utility Bill Payments / Loan EMI / Government Tax Payments / Government License Fees / Insurance Premium / Mortgage Payments / Club or Association Subscriptions / Other's through BEFTN

I/we do hereby authorize Midland Bank Limited (MDB) to initiate debit entries on the terms and conditions of the Bank BEFTN Service Supplement to my/our account at the bank listed below, to collect the Systematic Investment Plan and other amounts from the account in connection with the loan/fess/premium/payments/subscriptions/ Other's mentioned, and if necessary, initiate adjustments for any transactions credited in error. This authority will remain in effect until the Bank is notified by me/us in writing to cancel it in such time as the Bank reasonable opportunity to act upon it, or until such discharge of amounts payable in connection with the payment in the sole satisfaction of the Bank.

Debited Account Details:	
Account Holder's Name	
Account No.	
Account Type <small>(Please Tick Only One)</small>	<input type="checkbox"/> Savings <input type="checkbox"/> Current <input type="checkbox"/> Others <small>(Please Specify if any)</small>
Bank Name	Branch Name District Name
Amount to be debited (in figures)	Routing Number <small>(Bank Use Only)</small>
Amount to be debited (in words)	
Account Holder's Address:	1st Contact Number: 2nd Contact Number:
Credited Account Details:	
MDB Account Name	EDGE BANGLADESH MUTUAL FUND
Account No. to be credited <small>(Please Tick Only One Account should be (1) digit)</small>	0 0 0 8 - 1 0 6 0 0 0 0 0 0 5 0
Account Type <small>(Please Tick Only One)</small>	<input checked="" type="checkbox"/> Savings <input type="checkbox"/> Current <input type="checkbox"/> Others <small>(Please Specify if any)</small>
Transaction Frequency	<input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Periodically <input type="checkbox"/> Others <small>(Please Specify if any)</small>
Transaction Frequency Every Month in Specific Date	<input type="checkbox"/> 5 <input type="checkbox"/> 10 <input type="checkbox"/> 15 <input type="checkbox"/> 20 <input type="checkbox"/> 25 <input type="checkbox"/> 30 <input type="checkbox"/> Others: <small>(Please Specify in specified date if required)</small>
Loan Account Number <small>(only for loan)</small>	N/A
First Payment Date <small>(only for loan)</small>	N/A
Remarks <small>(If required)</small>	

**Terms & Conditions and agreement with customer rules and regulation has attached "BEFTN SERVICE AGREEMENT" with this form.

Yours faithfully,

Account holder's/Customer's Signature & Date <small>(Seal in case of Company or Firm)</small>	Joint Account holder's/ Customer's Signature & Date <small>(Seal in case of Company or Firm)</small>
--	---

The above is a snippet of the "Auto-Debit Instruction Form" for reference. This form will officially set up the system to automatically invest your specified amount from your provided bank account every month or at your specified interval.

✔ SIP added successfully

SIP Add SIP

Fund	Amount	Duration	Executed	Document Sending Method	Auto-Debit Instruction Form	Form	Manage
EDGE High Quality Income Fund	20,000	60	0	Course Details	+	+	✕ +

Step-4: After clicking "Add" in the pop-up window, the status of your SIP will be shown in this way on this page. Once your application is approved after review, you will be sent a confirmatory email to notify you about the matter. Afterward, you'll be routinely notified via email every time an installment is paid.

Team

EDGE AMC Limited

Ali Imam, CFA	Chief Executive Officer
Khandakar Safwan Saad, CFA	Chief Investment Officer
S.M. Sadek Islam	Manager, Finance & Operations
Muhammad Fuad Zibran	Investment Associate
Kaniz Fatema Shanta	Executive, Finance & Operations
Ashikur Rahman Tusar	Software Developer

EDGE Research & Consulting Limited

Asif Khan, CFA	Chief Executive Officer
Waseem Khan, CFA	Head of Research
Mustavi Zaman Khan, CFA	Senior Investment Analyst
Rahma Mirza	Investment Analyst
Fateen Tahseen Alam	Analyst

For more information, you may visit <https://www.edgeamc.com/>

EDGE
ASSET MANAGEMENT

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