

Shariah Compliance Report

For the year ended June 30, 2025

EDGE AL-AMIN SHARIAH CONSUMER FUND

1. Executive Summary

This report outlines the Shariah compliance status of the EDGE Al-Amin Shariah Consumer Fund (the "Fund") for the financial year ended June 30, 2025. The Shariah Advisory Committee (SAC) has conducted a comprehensive review of the Fund's investments, operations, and income sources.

Based on our review, we are of the opinion that the Fund has been managed in substantial compliance with the principles of Shariah and the guidelines set by the SAC.

Key highlights:

Total Fund Assets: BDT 139,491,903

Shariah Compliance Status: Compliant with minor observations

Purification Amount Identified: BDT 143,201

Shariah Advisory Committee (SAC) meeting last held: July 24, 2025

No of SAC Meetings held in the year: 3 (Three)

2. Shariah Governance Framework

The Fund operates under the guidance of its Shariah Advisory Committee (SAC). The SAC is responsible for approving Shariah investment guidelines, reviewing investment activities, and issuing the annual Shariah compliance report.

SAC Members:

1. Professor Dr. Md. Sadiqul Islam
2. Mufti Abdullah Al Masum (CSAA)
3. Mufti Zubair Abdullah (CSAA)

2.1. Roles and Responsibilities of the SAC:

The primary responsibilities of the SAC include:

- Approving the Shariah investment guidelines and screening criteria.
- Conducting periodic reviews of the Fund's portfolio to ensure ongoing compliance.
- Advising the Fund Manager on Shariah matters.
- Reviewing and approving the annual Shariah compliance report.

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3. Review Methodology

The SAC conducted its review through:

- Examination of the Fund's investment portfolio.
- Review of audited financial statements and income sources.
- Ongoing monitoring of transactions, deposits, and money market instruments.
- Verification of screening criteria (business activities and financial ratios) based on AAOIFI and international best practices and what is developed by SAC.

4. Investment Screening and Portfolio Compliance

4.1 Business Activity Screening

The Fund refrains from investing in companies whose primary business involves:

- Conventional financial services (banking, insurance, leasing).
- Alcohol, gambling, pork, tobacco, and impermissible entertainment (e.g., pornography).
- Other activities deemed inconsistent with Shariah principles.

Status: Our review confirms that all portfolio companies complied with the business activity screening criteria throughout the reporting period.

4.2 Financial Ratio Screening

The following financial ratios were applied to all potential and existing investments, based on [Market Capitalization / Total Assets]:

- **Leverage Compliance:** Interest-bearing Debt / Market Cap (Avg of 36 Months) must be less than 25%.
- **Cash Compliance:**
 - i. Accounts Receivable / Market Cap (Avg of 36 Months) must be less than 49%.
 - ii. (Cash + interest-bearing securities) / Market Cap (Avg of 36 Months) must be less than <30%
- **Share from non-compliant activities:**
 - i. Income base: Total non-permissible income including interest income should not exceed 5% of total revenue.
 - ii. Asset based: Total non-permissible income including interest income should not exceed 15% of Total Assets

Status: Our review confirms that all investee companies remained compliant with these financial ratios during the investment period.

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While investments have been made following the guidelines mentioned above, it is to be noted that two of the invested companies, Square Pharmaceuticals & Marico Bangladesh, have breached a number of ratios after investment was made. The ratios are updated on quarterly basis. It is to be noted that no additional investment was made in those stocks. As per the guidelines mentioned in the Shariah Charter and following decision of the SAC, such companies are placed in observation for a period of up to 3-4 quarters before taking further action. Square Pharmaceutical first breached the ratio at the end of Dec'24 quarter while Marico Bangladesh recently breached the limit at the end of Jun'25 quarter.

If the concerned company does not return to the prescribed Sharia financial ratio limit after the Observation Period, the SAC will recommend a phased withdrawal (divestment) of the investment and a complete transfer of the investment to a fully Sharia-compliant alternative. If the company shows partial improvement, the SAC may re-evaluate the situation and extend the deadline for a maximum of one additional quarter.

5. Investments Overview

Capital Market Investments: Total BDT 71,263,144

Company name	Market value
The IBN SINA Pharmaceutical Industry Ltd.	15,293,200
Square Pharmaceuticals Limited	19,427,700
Marico Bangladesh Limited	19,627,110
Renata Limited	4,884
Beximco Pharmaceuticals Limited	14,637,000
Grameenphone Ltd	2,273,250
Total investments in listed securities	71,263,144

IPO Participation:

There were no IPOs carried out during the fiscal year ended in June 2025; hence no investment was done in IPO.

Money Market & Deposits:

Investments made only with Shariah-compliant sukuks, Mudaraba Term Deposit (MTD), banks and Islamic windows.

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6. Analysis of Income and Purification

6.1. Income Breakdown

The Fund's income was generated from the following Shariah-compliant sources:

Breakdown of Total Income	30-Jun-25	30-Jun-24
Profit earned from Deposits **	5,097,885	4,135,461
Profit earned from Islamic Sukuk	390,924	18,633
Capital loss on sale of marketable securities	(2,191,512)	(1,925,971)
Dividend income	5,967,800	3,199,217
Unrealized (loss)/gain on securities	6,511,414	(5,783,086)
Total Income	15,776,511	(355,747)

The table above shows the fund's total income breakdown for FY 2025. The fund experienced a positive total income of BDT 15,776,511 for the period ended on June 30, 2025. This was primarily driven by significant gains in the capital market and profits from deposits. In the capital market, the fund recorded a net gain of BDT 9,997,092 (Realized capital loss of BDT 2,191,512; Dividend Income BDT 5,967,800 and Unrealized gain of BDT 6,511,414). Additionally, the company generated BDT 5,488,809 in profit from money market instruments (Profit earned from Deposits BDT 5,097,885 and Profit earned from Islamic Sukuk BDT 390,924), which further contributed to the positive total income.

** Details of the profit earned from deposits are given below:

Profit on Mudaraba Special Notice Deposits (MSND)	BDT
Midland Bank - Salam Express Corporate Account	664,303
Mutual Trust Bank - Al Wadee'Ah Current Account	1,154
Shahjalal Islami Bank Limited - Mudaraba Special Notice Deposit	8,857
Total	674,314

Profit on Mudaraba Term Deposit (MTD)	BDT
DBH Finance PLC -05, MTD No: 271001026	47,947
DBH Finance PLC -06, MTD No: 271001027	190,655
DBH Finance PLC -07, MTD No: 271001028	1,073,505
DBH Finance PLC -08, MTD No: 271001038	164,695
DBH Finance PLC -09, MTD No: 271001045	417,261
DBH Finance PLC -10, MTD No: 271001050	1,046,541
DBH Finance PLC -11, MTD No: 271001051	1,049,490
DBH Finance PLC -12, MTD No: 271001052	433,475
Total	4,423,571

Total Profit Earned on Deposits	5,097,885
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6.2 Purification of Non-Permissible Income

Any incidental income generated from non-Shariah compliant activities or sources within a portfolio company must be purified. The purification was calculated in accordance with SAC guidelines and the AAOIFI methodology, which considers all non-permissible income regardless of dividend distribution.

- **Total Non-Permissible Income Identified:** BDT 143,201
- **Total Fund Units Outstanding:** 13,129,481
- **Purification Amount Per Unit:** BDT 0.01

This amount, totaling **BDT 143,201**, has been set aside and will be donated to approved charitable causes.

Purification Calculation for FY [2025]:

Name of the Stock	Type of Income	Income Earned	Purification ratio	Required Purification Amount
Marico Bangladesh Limited	Cash Dividend	189,000	4.04%	7,638
Grameenphone Limited	Cash Dividend	240,000	0.22%	534
Marico Bangladesh Limited	Cash Dividend	945,000	4.04%	38,192
The IBN SINA Pharmaceutical Industry PLC	Cash Dividend	283,500	0.00%	8
Marico Bangladesh Limited	Cash Dividend	425,250	4.04%	17,187
Square Pharmaceuticals Limited	Cash Dividend	1,188,000	4.92%	58,457
Beximco Pharmaceuticals Ltd.	Cash Dividend	500,000	0.19%	963
Marico Bangladesh Limited	Cash Dividend	415,800	4.04%	16,805
Grameenphone Limited	Cash Dividend	127,500	2.68%	3,417
4,314,050				143,201

Out of the total amount of **BDT 143,201.00**, **BDT 114,377.83** has been donated together with last year's remaining balance of **BDT 15,035.05** (charitable donations totaling **BDT 129,412.88**). The amount was authorized by SAC and donated equally among four organizations (named **Jamia Islamia Darul Uloom Madrasa; Markazu Dirasatil Iqtisadil Islami ; Ashic Foundation; and Thalassemia Foundation Hospital**) during the 2024-25 fiscal year. A balance of **BDT 21,184.48** remains in the purification account.

AAOIFI Purification Method:

In addition to dividend-based purification, AAOIFI methodology was applied which considers all non-permissible income irrespective of dividend distribution. Based on this method, the purification amount for FY 2025 was BDT 1,372,666, equivalent to BDT 0.10 per unit.

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7. Shariah Audit & Monitoring

The SAC confirms that:

- All investments were monitored quarterly.
- No investment was made in non-compliant securities.
- Any incidental non-compliance (if occurred) was rectified in a timely manner.

8. Zakat Disclosure

The Fund does not calculate Zakat on behalf of investors. Investors are advised to use the Fund's audited financial statements to calculate their individual Zakat liability.

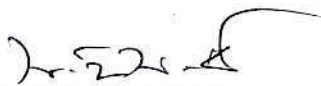
9. Conclusion & Shariah Certification

In the name of Allah, the Most Gracious, the Most Merciful.

Based on our comprehensive review of the documents, transactions, and activities of the EDGE Al-Amin Shariah Consumer Fund for the financial year ended June 30, 2025, we, the undersigned members of the Shariah Advisory Committee, hereby certify that the Fund's management and operations have been conducted in accordance with the principles of Shariah and the guidelines approved by the SAC.

We pray to Allah (SWT) for the continued success of the Fund and the acceptance of our humble efforts.

For and on behalf of the Shariah Advisory Committee (SAC)



Dr. Md. Sadiqul Islam
Member



Abdullah Al Masum
Member



Zubair Abdullah
Member

Date: 24/07/25