



Performance Evaluation of ICB Mutual Funds

Internship Report
On
Performance Evaluation of ICB Mutual Funds



Inspiring Excellence

Submitted To: Saif Hossain

Senior Lecturer

Submitted by: Fatema Zohora

ID: 11204094

BRAC Business School

BRAC University

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Performance Evaluation of ICB Mutual Funds

Letter of Transmittal

Date

Mr. Saif Hossain

Senior Lecturer,

BRAC Business School (BBS)

BRAC University

Subject: Submission of internship report

Dear Sir,

Here is the Internship Report on “Performance Evaluation of ICB Mutual funds”. This report was the partial fulfillment of BBA program.

I have tried my best to submit a good report with as much information as I could gather during the short time span allotted for writing the report. I made sincere efforts to study related materials, documents, observe operations performed in ICB (Investment Corporation of Bangladesh) and examine relevant records for preparation of the report.

Therefore, I hope that you would be kind enough to accept my Internship Report and oblige thereby.

Sincerely Yours

Fatema Zohora

ID- 11204094

Acknowledgement

During those precise initial about my statement I must concede my gratitude to the almighty Allah for providing for me the chance will get All that done with my higher contemplate appropriately and effectively from a replenished University like BRAC school. The report may be those result of tough research, investigation Furthermore co-operation about my managers both starting with University furthermore from ICB. So I am generally gratitude to all from claiming them for their help. Without their assistance it might a chance to be generally was troublesome to me with make done with this report and in addition my internship which may be a compulsory part of Bachelor of Business Administration from BRAC University.

I would like to express my honorable gratitude to Mr. Saif Hossain Sir who is really helpful and always supported me to done with my internship report successfully. He guided me throughout the whole internship period and shows me as well as corrected me while making any mistake in the report. He is really helpful and supportive as well as friendly so that I never feel bored to share problems with him.

I also express my gratitude to all the PO, SPO, AGM and DGM & GM for their helpful company. I am very respectful to the entire executive who discussed with me and shares with me various issues.

Although I faced a lot of problems and difficulties while preparing my report but these people made my difficulties way and motivate me to come up with a report of quality and full of information. I am really lucky t have supervisors like them.

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Executive Summary

The investment Corporation of Bangladesh (ICB) might have been made in October 1976, under the “Investment Corporation of Bangladesh ordinance, 1976(No. XL from claiming 1976)”. ICB might have been secured with create money showcase will activate investment funds. There are a few offices done ICB, which would include done dealing with investors, accounts, shared funds, unit stores also how matters identified with capital business. My principle concentrate on this report card may be ICB’s common subsidizes. ICB glided eight shared funds, which need aid close-end common stores. Aggregate paid up capital about eight common trusts may be Tk. 1775.00 lac. Shared subsidizes would exchanged in the auxiliary business sector through stock trade. Value will be confirmed on the groundwork from claiming request & supply. The DSE cost list is subject to that development of the stores. The point when the cost of the reserve increases, DSE cost list likewise builds or vice-versa. So, common finances have solid sway on the security market. Execution of shared stores relies on the execution of the securities under each portfolio & how those portfolios are adequately figured out how. As for 30 June, 2014, those aggregate expense of portfolio from claiming shared stores is Tk. 15581. 39 lac. In the event from claiming this Incorporation Furthermore avoidance starting with quite a while should quite a while it will be demonstrated that the sum these exercises is completed legal or not and what make the best elective through advertise performance, basic Also specialized foul Investigation. Starting with those Investigations we found that the fund, which might have been drifted earlier, is clinched alongside much better circumstances over the opposite subsidizes. The primary motivation behind this, there might have been an administration decides that 15% offers for any companies’ must be sold to ICB during those first sale of stock (IPO). That is the reason they didn't must contend in the open showcase. Yet all the over 1996 administration need omitted this principle. Presently ICB must purchase stakes starting with the open advertise Eventually Tom's perusing rivalry.

Chapter 1

Introduction

As a student of Bachelor of Business Administration (BBA) everyone has to conduct a practical orientation in any organization for fulfilling the requirements of Internship Program. The main purpose of the program is to expose the students to the real world situation. This report is done as a partial requirement of the internship program for the BBA students. This report is prepared for the internship program consisting of a major in depth study of the total merchant banking business of Investment Corporation Bangladesh. Practical knowledge is fundamental for the application of theoretical intelligence. The Report is the evidence of effort and harmony between practical and theoretical knowledge.

As a part of completing BBA, it is a mandatory to do internship in any organization to learn real life things. Bus 400 is that course which has helped to learn from real corporate world where I could relate my learning as well as contribute my knowledge also.

I joined ICB (Investment Corporation of Bangladesh) as an intern of Mutual fund department. Being an intern of ICB, specific tasks it was a great matter of enjoyment whenever I fulfilled my responsibilities and got appreciated by ICB. The company paid a fixed honorary amount to the interns as a monthly salary basis. I needed to work for three months under Mutual Fund Department to complete the internship program. I joined ICB on 1st March of 2016 and my internship period ended on 31st May, 2016. I got opportunity work with very talented minds at the office which will be leave a greater impact on my upcoming professional life. It was a massive experience to work as an intern in a company like ICB.

Since, I was an intern of Mutual Fund department, my greatest binding was to gather information from the department to complete my internship report but I am Thankful to my Supervisor and whole ICB who helped me through this internship.

Background of the report

In accordance with the industrialization in Bangladesh, entrepreneurship development and investment decision, I was placed in Investment Corporation of Bangladesh (ICB) for internship to analyze activity of ICB. The Investment Corporation of Bangladesh (ICB) was established on 1st October 1976, under “The Investment Corporation of Bangladesh Ordinance, 1976” (no. XL of 1976). The establishment of ICB was a major step in a series of measures undertaken by the Government to accelerate the pace of industrialization and to develop a well-organized and vibrant Capital Market particularly securities market in Bangladesh. ICB caters to the need of institutional support to meet the equity gap of the companies. In view of the national policy of accelerating the rate of savings and investment to foster self-reliant economy, ICB assumes an indispensable and pivotal role. Through the enactment of the Investment corporation of Bangladesh (Amendment) Act, 2000(no. 24 of 2000), reforms in operational strategies and business policies have been implemented by establishing and operating subsidiary companies under ICB.

History of ICB

The Investment Corporation of Bangladesh (ICB) may be a statutory partnership. It will be basically a speculation bank. Likewise a speculation bank will be An monetary institution, which assembled store starting with the surplus investment units Toward reserve funds securities Also formed finances of the deficiency financial unit also by buying/underwriting securities. Then afterward liberation in perspective of social budgetary changes, that degree for private division speculation in the economy might have been held constrained by permitting speculation to ventures up to taka 25 fails to offer. The new venture policy, which might have been declared Previously, July, 1972 gives for a stretched part of private division toward permitting venture On an undertaking up to taka 3 crores. Those maximum need further constantly brought up to taka 10 crores despite the sufficient offices Furthermore incentives Gave of the private parts empowering reaction might have been not for those advancing. A standout amongst the reasons "around different might have been those absence of regulate facilities, which gives underwriting backing (Lick previous ICB) to streamlined venture that might have been required should raise

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significantly necessity value store. Thus, the have to reactivation to money market, securities exchange might have been keenly felt.

The Investment Corporation of Bangladesh (ICB) might have been built for 1 October 1976, under “The speculation organization from claiming Bangladesh Ordinance, 1976” (no. XL of 1976). Those stronghold of ICB might have been a real venture clinched alongside an arrangement from claiming measures embraced by the administration will quicken the pace about industrialization and should create An well-organized and vibrant money business especially securities market clinched alongside Bangladesh. ICB caters of the requirement about regulate backing will help the equity hole of the organizations. In perspective of the national strategy from claiming accelerating the rate for investment funds What's more speculation with cultivate independent economy; ICB expects an irreplaceable Furthermore critical part. Through those establishment of the financing partnership about Bangladesh (Amendment) Act, 2000(no. 24 of 2000), changes done operational methodologies Also business strategies need been executed Toward securing Furthermore operating subsidiary organizations under ICB.

Service offering

- **Underwriting:** So as to raise expression obligation Also equity starting with the grade market, those govt. Bodies, enterprises, Corporation alternately organizations might look for go-between support from ICB in the type for underwriting.
- **Private placement:** Under this arrangement, ICB puts securities should unique looking into sake of the issuers for which it charges fees. Administrator Also financier issue: on gesture of the chief of the open issue from claiming stakes and debentures ICB gives professional benefits in admiration to syndicate underwriting What's more financiers of the issue.
- **Merger and acquisition:** companies willing to expand their business through mergers and acquisitions or to diverse projects that no longer fit into the present scale of operation may contact ICB. ICB provides professional services and advice.

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- **Custodian and banker to the issue:** on go about as the caretaker of the state funded issue about open wind Furthermore close wind common funds, ICB gives proficient benefits. It additionally goes about likewise the investor of the guarantor also gives comparative benefits through the system for its extensions. Fees in this see are debatable.
- **Other services:** ICB provides some other services. There are corporate financial advices, investors' scheme, ICB unit fund, bank guarantee scheme, advanced against ICB mutual fund certificates scheme, lease financing, customer credit scheme, and ICB mutual fund, advanced against unit certificate scheme.

PRODUCTS OF ICB

- **Private Placements:** ICB is authorized to act as an agent of the issuers and investors for private placements of securities. Under this arrangement, ICB places securities to individuals/institutions on behalf of the issuers for which it charges fees. ICB also acquires shares/securities for its own portfolio.
- **Trustee, Custodian and Issue Manager:**
ICB is acting similarly as trustee of the issue of debenture What's more securitized bonds. Dependent upon 30 June 2009 ICB acted concerning illustration trustee of the debenture issues of 17 organizations directing, including taka 184. 15 crore Furthermore issues of 7 bonds for 5 organizations directing, including taka 624. 36 crore. ICB also under took those responsibilities from claiming trustee will 8 shared stores directing, including taka 230. 00 crore.

To act as the custodian to the public issue of open-end & closed-end mutual funds, ICB provides professional services. It also acts as banker to the issues and provides similar services through the network of its branches. Fees in this regard are negotiable. However, ICB has, under restructuring programmer, discontinued issue management function since 2003.

- **Lease Financing:** ICB extends rent account basically to machinery, gear Also transport. ICB need the ability to give professional exhortation What's more budgetary aid of the

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prospective customers. Those time for lease, rentals, charges and other terms and states would controlled on the support about kind about holdings and the degree for support required by those applicants. Since presentation for this plan for 1999 beneficial reaction need been gained starting with those intending lessees.

- **Advances against ICB Mutual Fund Certificates Scheme:** Advance against ICB common store Certificates plan might have been acquainted clinched alongside 2003, outlined for those ICB common store certificate holders with meet their crisis reserve necessities. One might acquire greatest for 50 percent worth for keep going you quit offering on that one year's weighted Normal business value of certificates during duration of the time for acquiring by depositing his/her certificates under lien course of action starting with whatever of the ICB work places. The rate of investment on the credit is sensible Also Additionally aggressive.
- **Advances against Unit Certificates Scheme:** Advance against ICB Unit Certificates Scheme was introduced in 1998, especially designed for the ICB unit- holders to meet their emergency fund requirements. One can borrow maximum Tk. 85 per unit by depositing his/her unit certificates under lien arrangement from any of the ICB offices where from such unit certificates were issued. The rate of interest on the loan is reasonable and competitive.
- **Consumer Credit Scheme:** Concerning illustration and only benefits of the business broadening program, ICB need acquainted "Consumers credit Scheme" clinched alongside 2003-04 recognizing toward the compelling reason about Different family unit items about separate representatives for govt. , semi-govt. , self-sufficient figures Also a portion secured private segment associations. Under this plan you quit offering on that one might delight in base Tk 1. 0 lac At most extreme 5 lac credit offices. The rate of investment on the advance may be sensible What's more aggressive which may be altered Toward the top managerial staff of ICB acknowledging those bank rate and for those rules from claiming Bangladesh bank. Under this plan those combined amount for

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advance disbursed up to 30 June 2010 might have been Tk. 10.95 crore. No measure need been disbursed throughout 2009-10.

- **Venture Capital Financing:** With a view to encourage rapid industrialization of high risk but potential industries of the country ICB as part of business diversification has launched venture capital financing scheme. Up to 30 June 2010 ICB has received 5 applications for financing of Tk. 76.62 crore. Among these 5 projects, 3 are electricity generation project in new technology, 1 of investing car without fuel and the other is a project for providing air-conditioning facilities by a new technology.
- **Equity and Entrepreneurship Fund (EEF):** The Government of Bangladesh (GOB) had set up an Equity Development Fund (EDF) in the budget 200-01 known as Equity and Entrepreneurship Fund (EEF) with a view to encouraging the investors to invest in the rather risky but promising two sectors, namely, software industry and food-processing/agro-based industry. Initially the management of the fund was vested to Bangladesh Bank. Subsequently a sub-agency agreement was signed between ICB and Bangladesh Bank on 1st June 2009. According to this agreement, the management of the fund has been devolved on ICB.
- **ICB Mutual Fund:** Common trusts need aid otherwise called close wound shared stores. The issued capital of a common store is limited, that is, An common store offers An set amount for certificates available to be purchased of the general population. The measure from claiming capital and the amount for certificates about every common store stays unaltered. ICB common stores would autonomous about each other. A common store being recorded is exchanged on the stock Exchanges. Value of common store certificates then afterward initial public offering will be dead set on the stock Exchanges through interactional about supply Furthermore interest. The business value of a common store certificates may be accessible in stock return quotations also in daily papers.
- **ICB Unit Fund:** ICB unit store might have been secured for April 10, 1981. Its principle target will be with activating funds through offer from claiming its units will little moguls

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What's more contribute these trusts to attractive securities. The schemes gives a possibility sourball from claiming equity Furthermore debt on mechanical Also business worries and accordingly help the modern advancement of the organizations in the nation. Unit store may be a open wound common store. It gives a chance to those unit holders with contribute their trusts done a great figured out how Also differentiated portfolio for a secondary degree of security about money and sensible yearly returns.

- **Investors' Scheme:** The Investors' Scheme was introduced in 1977 with the objective of broadening the base of equity investment through mobilizing savings of small and medium size savers for investment in the securities market. In addition to Head Office, Investment Accounts are also operated at the 7 branch offices of ICB located at Dhaka, Chittagong, Rajshahi, Khulna, Barisal, Sylhet, and Bogra. However in view of strategic changes in policy reform, from 01 July 2002 'ICB Capital Management Ltd.' started opening and managing investment accounts. ICB will continue to provide services to its existing accounts only. Further steps were undertaken to enhance the quality and speedy service under the scheme like computerization of all activities and installation of merchandizing operation management software. This enables the management to offer better and quick service to the investors including instant supply of the financial statement, portfolio, balance of the accounts, etc. Installation of telephone banking system in Investors' Account enabling investors to collect information and operate their account over telephone was at the final stage of operations. Besides, installation of Electronic display system of DSE online trading on the floor of ICB was in progress.

- **Bank Guarantee Scheme:** ICB introduced Bank Guarantee scheme in 2002-03. ICB provides
 - Bid Bond for enabling the business people to participate in any tender or bidding;
 - Performance Bond for helping the business community to continue their business smoothly by fulfilling their obligations promised by them to their clients; and

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- Customs Guarantee for solving different disagreements between the customs authority and the business classes at the initial stage. The maximum limit of guarantee is Tk. 2.00 crore and would be issued against at least 20% cash and 80% easily encashable securities or against 100% cash margin. Re-guarantee from other financial institution is required for guarantee against the amount exceeding Tk. 2.00 crore.
- **Managers and Acquisitions:** Organizations eager to grow their benefits of the business through mergers or acquisitions alternately to disinvestment undertakings that no more feasible under introduce ability for operation can wood contact the partnership. ICB gives expert administrations & advices clinched alongside regard of forming dependent upon the cosset Furthermore money related structures to guarantee best conceivable operational effects. Besides, in the event that about divestment, the corporation, through organize Furthermore made benefits of the business relationship, achieve purchasers Also dealers together, assistance them on arrange last concurrence what's more exhortation on the developing corporate structure.
- **Corporate Financial Advice:** Government enterprises and Companies intending to go public issue often seek professional & financial advice on corporate restructuring & reengineering. ICB through its expertise provide such services through its expertise.

Organogram of ICB

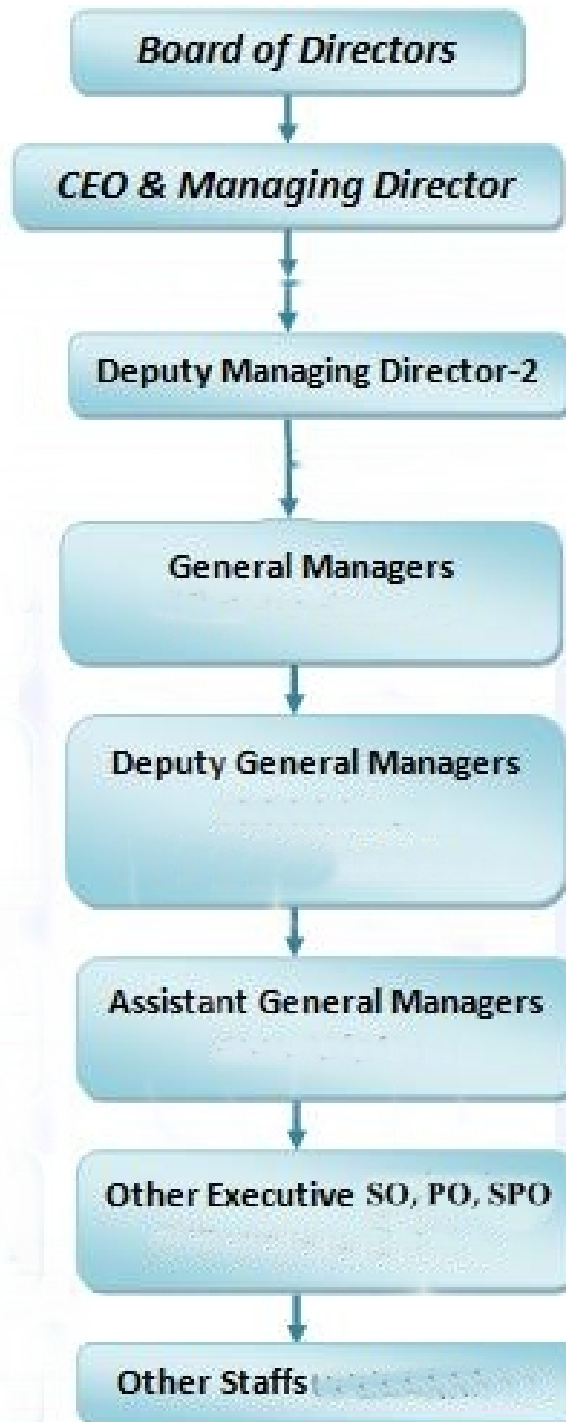


Fig: ICB

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Mission

Change the organization under An capable institution, a fiscal engineer Also an inventive result supplier and execution pioneers. Being An capable organization made Toward theory Furthermore act clinched alongside understanding for those mandates ICB's statute to encouraging fast development about Bangladesh economy. Being An monetary modeler What's more strive should create a benchmark for values, attitudes, conduct technique What's more commitments with sincere endeavors over generating ideal benefits Also Growth for our shareholders Toward productive utilization of assets. Being a imaginative result supplier Also place stress on planning downright answers for cultivate assembly from claiming know Domesticated Also NRB investment funds under possibility ventures.

Vision for future

ICB has vision of becoming the most convenient and versatile financial service provider of this country. It has long term and short term goals and for achieving those goals it always applies the well-designed strategies.

Chapter 2

Description of Job

Being an Intern I had to perform the tasks which were assigned to me by my supervisor. However, I was introduced to different departments with different activities. Following are my contribution in ICB

- ❖ **Task of the Loan Appraisal department:** This may be those Branch the place the advance related errand held. Continuously an assistant i required on weigh every last one of duplicates of the credit seeker if the individuals need aid true alternately not, if there may be At whatever error in the papers alternately not, if the individual is really qualified or not. Frequently i required on try to going by the purchaser in individual for

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getting An legitimate perspective for their data. Since, my boss might have been altogether earnest Furthermore he needed me on would All that sincerely, so i never cleared out any space for change What's more flawlessness.

- ❖ **Task of the Programming department:** Since, I am very well with the computer so, very often I had to help the IT department for technical support. However, I used software over there for various kind of easy calculation and task related issue. For some confidential issue, I cannot disclose the name of the software or the pattern of their work.

- ❖ **Task of the data management department:** Starting with my particular experience, I believe this division need unendurable fill in load. At I functioned there, i needed will keep the entrance of information about gurus on exceed expectations. Those numbers about gurus are really enormous. Other than that, I needed to stay with the information about a great deal monetary majority of the data which are really private. Really I functioned there with those men who meet expectations for those secret data. Since, I acted Likewise as much cooperation member, with the goal i am not license to reveal a great deal majority of the data.

- ❖ **Task of HR department:** Very often I was given with the responsibility of organizing workshop, seminar, and meeting for the employees. Starting from the place selection to food distribution, I was actively involved in these activities.

- ❖ **Pension department:** I was assigned to do the task of the pension department. Mainly I helped to sort out the data of the retired person and also did the calculation of the amount of money he is going to have after retirement.

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❖ **Other tasks:** Being an intern I had to do the task of photocopy of many important papers. However, I feel doing photocopy is not an easy task. I had to return all the papers accordingly, so during doing the photocopy, I remained very careful, so that none of the paper lost. Other than this, I had to help in doing print out, stamping the seal and many more tasks.

Job Responsibilities:

The main job of intern in ICB is to visit all the departments of ICB and all the subsidiary branches. As ICB has many confidential issues they choose just formal meeting with the entire department. My responsibilities are just to visit the department and report back to the advisor. As the company is a financial based company, so every single day number of transactions made. So as an intern I had to do lot of photocopies. Sometimes I have to bind old worker file and categorize them in various aspect. It is a very difficult task. My supervisor used to give me hundreds of paper and I had to categorize those papers. I did all that work with great enthusiasm.

Different aspects of job performance:

In ICB I had the chance of doing all types of work. Some of the task like the task related to sectioning the loan or checking the authenticity of the paper gave me the opportunity of analyzing my analytical ability and my own intelligence, where as some routine task like photocopying or print out gave me the space of relaxing even in my working hour.

I would say the internship period of ICB has brought few changes in my life and those are as follows

❖ **Corporate exposure:** Hosting finished my internship Previously, ICB, i really got those corporate purposes of presentation. Knowing the corporate society Also keeping up it need provided for me those quality tolerating challenges: on adjust At whatever circumstance.

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- ❖ **Work life balance:** For me Taking in the ability about administering the worth of effort life parity will be extremely critical. ICB provided for me the extremely initially chance of completing this. Taking care of every last one of worth of effort weight throughout the day et cetera get once more should home in front of those due date expires might have been generally testing to me. As I might have been under the supervision of such a stunning boss who might generally favour with complete those fill in preceding those office hour ends, really pushed me on provide for my best exert What's more do my best.
- ❖ **Meeting the deadline:** often hard times came and the biggest challenge was completing the task before the deadline expires. So, accepting the challenge of completing the task prior to deadline was a challenge.
- ❖ **Fine tuning of a fast learner:** after completing my internship in ICB, I actually get to know that there is no other of becoming a fast learner and self-learner. All the tasks which were given to me, I was not taught everything in detail. Rather, often I had to learn everything by me and to perform the task immediately, at first I had to become a fast learner.

Departments of ICB:

Personal department:

The main functions of this department are:

- ❖ To making An great prepared organization must be chosen those guidelines and regulation.
- ❖ Appoints those labour in the organization.
- ❖ Transfer, selects those salaries, benefits vacation, and promotion, affirms that job, and so forth throughout this way, observing and stock arrangement of all instrumentation may be enhance are the faculty related meets expectations.

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- ❖ Transforming those promotions, run through scale, get-away related meets expectations.
- ❖ Preparing those retirement.
- ❖ Personnel's provide for the offices The point when they would setting off with respect to retirement such as–gratuity, pension, provident reserve need aid transformed Furthermore control the participation.

Human Resources department: The main functions of this department are:

- ❖ To give and complete the different steps of training for the officers/personnel's in the corporation.
- ❖ Inventing the foreign training and organize the training in the foreign countries.
- ❖ To organize the internal training for personnel.
- ❖ To organize the training for new appointed personnel.
- ❖ To maintain the official training center.

Establishment department:

This department deal with purchases of office supplies, office equipment etc, also maintain the utility services like telephone bill electricity bill etc. The cost of this department is divided into two categories revenue cost and fixed cost. For fixed cost, depreciation is charged at straight-line method basis. There are two purchase committees to accomplish the purchase. There remains a quality control committee to examine the quality of the product purchased. For the purchase of the product, this department gives tender notice to the listed supplies. Quality control committee is formed with two Deputy General Manager (DGM), one Assistant General Manager (AGM) and members from the Establishment Department. In case of selling of scraps and wastage the tender offer in same way.

Secretary's department:

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The main functions of this department are:

- ❖ Arrange meetings of the Board of Directors, Executive Committee and other Committee.
- ❖ Communicate with the directors of the Corporation.
- ❖ Call board meeting.
- ❖ Prepare work schedule of directors meeting and collect signature of the Chairman.
- ❖ Send work schedule to Govt. and board of directors.
- ❖ Send decisions of the meetings for implementation of concerned department.
- ❖ Preserve the registration of shareowners.
- ❖ Share transfer, transmission, split, issue duplicate share and dividend warrant.
- ❖ Call Annual General Meeting.

Public Relations department:

The main functions of this department are:

- ❖ Maintain close liaisons with the Ministry of Finance and other concerned officers.
- ❖ Help publish all types of official advertisements.
- ❖ Furnish management with the relevant newspaper cuttings.
- ❖ Help focusing ICB through mass media.
- ❖ Meet all adverse comments about the Corporation published in Different newspapers and periodicals.
- ❖ Publish internal newsletter or journal.

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Shares department:

The department, subject to act as, a custodian of ICB portfolio and investors accounts. It maintains IPO shares, right shares, bonus shares and secondary shares. When sales order placed to the concern department, it needs to justify the physical existence maintain by four volts. As by rule, shares must be delivering within three days of transaction, but in some case fluctuation may be seen because of share's transfer registration. Securities Reconciliation department: This department is involved in reconciliation of the securities if any discrepancy rises among the settle number of securities and the balance of the ledger.

Dematerialization department: The main functions of this department are:

- ❖ Paper share converted to electronic share.
- ❖ 70-75 Companies share has completed to dematerialization.
- ❖ Converted to electronic share this department take custody fee.

Investor's department:

The main task of Investors Department is to accumulate the investment of small and new investors of the capital market by helping them open an investment account in the concern department. This department deals with 'Investors scheme'. The following are the main functions of this department:

- ❖ Open and maintain Investment Accounts.
- ❖ Sanction loans against deposits in Investment Accounts.
- ❖ Withdraw funds and shares from Investment Accounts.
- ❖ Provide service to Investment Accounts Holder.
- ❖ Keep financial records of all Investment Accounts.

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- ❖ Processing of withdrawal of funds.
- ❖ Confirm fund position of individual accounts
- ❖ Posting of all transactions.

System Analysis department:

The main functions of this department are:

- ❖ System administration of the entire network setup.
- ❖ Performing system analysis wherever ICB feels the need for periodic change in computerization setup.
- ❖ Performing miscellaneous small hardware and software related servicing tasks on the many workstations, network system, sever and other components and provide training to staff of other departments about computer usage.
- ❖ Any other assignment given by the management.

Programming department:

The following are the main functions of this department are:

- ❖ Developing new software for ICB.
- ❖ Customizing the software developed in the present computerization phase according to the changes of the requirements of the ICB with time.
- ❖ Provide active assistance to the staff of system analysis department for training of the staff of other department about computer usage.

Data Management department:

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The following are the functions of this department are:

- ❖ Handling peak load of data entry and data processing work for all other department of ICB.
- ❖ Any other assignment given by the management.

Planning, Research & Business development department:

This department has a basic decision making function for the organization. The major functions of this department are:

- ❖ To make the portfolio management decision in favor of the organization as well as small investors.
- ❖ Conduct meeting of the securities purchase and sales committee.
- ❖ Convey securities sales or purchase decision to the merchandising division.
- ❖ Perform all activities related to South Asian Development Fund (SADF).

Management Information Systems department: This department basically helps the organization in decision making by providing information. The main works of this department are:

- ❖ Prepare and distribute Annual Report of ICB, Mutual Funds and Unit Funds.
- ❖ Make arrangement for off loading of government portion of shares in different companies and state owned institutions.
- ❖ Manage the business development cell, which is established to explore the possibility of business diversification.
- ❖ Maintain liaison with ministry of finance, Bangladesh Bank and provide ICB related information to interested parties.

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Securities Analysis department:

This department analyses the securities in the market and upcoming securities into the market. The basic task of this department is as follows:

- ❖ Collect information about DSE, CSE, Public issue and half yearly accounts of the listed company.
- ❖ Prepare 5 years performance appraisal reports of the listed companies.
- ❖ Prepare board memo regarding declaration of divisions on ICB's own portfolio, Unit and Mutual funds.

Central Accounts department:

All kinds of receipts and payments of ICB are done by the Central Accounts department. The bill of all departments end destination is account department. Account department holds and maintain all separately. For this reason adjustment and rectification of any transaction of all departments become easier to this department. The functions of this department are to:

- Prepare income tax return and matters relating to accounts.
- Prepare bills including projects accounts and maintenance of project accounts.
- Prepare salary statement, overtime statements etc.
- Keep accounts for Government loan and debentures.
- Keep accounts of Unit and Mutual Funds.
- Make correspondence with the Government, financial institutions, branches etc.
- Calculation of quarterly interests.

Fund management department:

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The main works of this department are:

- ❖ Manage overall fund of the corporation.
- ❖ Different organization provided FDR
- ❖ Different organization taken TDR

Projects Loan Account department:

This department presents up to date information about the project of the given loan from the organization. The functions of this department are:

- ❖ Issue check to the projects after getting disbursement order from the Project Finance Committee.
- ❖ Maintenance of registers for interest penal interest due and over dues.
- ❖ Calculation of interest and preparation of periodical bills.
- ❖ Preparation and dispatch of statement of accounts.
- ❖ Furnishing of various information regarding disbursements, dues over-dues etc. relating to project loan.
- ❖ Any other assignment given by the management.

Law department:

Law department is a specialized department; handle any kind of legal affairs of ICB. ICB takes the resource of legal actions against the defaulting borrowers who did not come forward to repay loans despite repeated persuasion and reminders. The functions of this department are as follows:

- ❖ Prepare legal documents, advances agreement, share agreement, demand promissory notes, Memorandum and deposit of title deed etc.

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- ❖ Arrange exception of underwriting-cum-advance agreement, underwriting agreement and supplementary etc.
- ❖ Process litigation cases, prepare legal notices and refer cases to legal advisor in the court.
- ❖ Prepare necessary Board Memos for placement in the board meeting relating to litigation and legal affairs.

Documentation department:

The following are the main functions of this department are:

- ❖ All important documents are kept.
- ❖ Debenture finance.
- ❖ Lease finance.
- ❖ Asset securitization.
- ❖ Equity/ Preferential share finance.

Audit and Methods department:

Department under Audit & Method department are showing in the following:

1. Audit & Method head Office.
2. Audit & Method Branches.

The main functions of this department are:

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- ❖ Checking out that all rules are properly maintained or not i.e. circulars given by the ICB Board, Government and the method approved by the Board are correctly implemented or not.
- ❖ Advising of new method of ICB.
- ❖ This department finds out the fault done by other department.

Mutual Fund department:

Investment Corporation of Bangladesh (ICB) has so far floated eight close and Mutual Funds. The first Mutual Fund was floated on 25th April 1980 while the eight ICB Mutual Fund was floated in 10th August 1996.

Broadly the functions of Mutual Funds department consist of

- ❖ Act as manager of all Mutual Funds.
- ❖ Maintenance of ledger with the name, address and number of certificates along with distinct folio number for each Mutual Fund separately.
- ❖ Verify the signature of the holder in the 117 forms.
- ❖ Preparation of dividend list from the ledger position.
- ❖ Issue dividend warrants to the holders of the certificates.
- ❖ Distribution of final dividend warrants to the certificate holders after completing necessary formations.
- ❖ In case of change of ownership of Mutual Funds certificate holder facilities the transfer process.

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- ❖ Make arrangement for re-issue or duplicate copy of certificate in case of loss or damages of certificates.
- ❖ Receiving application for the change of address, correction of names and forwarding the same to the computer department.

Recovery Department: Loan recovery and follow-up department is the key operation as it ensures the recovery of funds provided as credit. There remains two 'Task forces' and the 'Review & Monitoring Committee' for giving necessary guidelines for accelerate process of recovery.

The main functions of this department are:

- ❖ To provide and reconcile statements of dues /over dues periodically.
- ❖ To visit projects for evaluating operational performances.
- ❖ To hold meeting with sponsors of ICB financed projects in connection with recovery of dues.
- ❖ To furnish status reports on the sponsors of ICB assisted projects to different institutions.
- ❖ To ensure recovery of dues /over dues from sponsors.
- ❖ To recommend for making necessary provisions for bad and doubtful debts in the Annual Accounts of the Corporation.
- ❖ To prepare memorandum for consideration of the Board of Directors for granting financial relief to projects facing various problems.
- ❖ Analyze the problem of sick projects and put forward suggesting for salvation of the same.

Trustee department:

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The main functions of loan appraisal departments are:

- ❖ One of the most important works is to save the self-keeping of the investor, bond holder, Debenture holder.
- ❖ To reserve the resources of the trustee.
- ❖ To maintain the account of trustee.
- ❖ To give the monthly report in the SEC which are related to the trust maintaining
- ❖ The savings money of the trustee is invested for short term.

Public Issue department: The public issue department is a vital department in the ICB as the ultimate objective of sanction loan is to help the project to go for public issue. The department is engaged in:

- ❖ Visit and collect audited financial statement from the sponsors.
- ❖ Analyzing the financial statement of ongoing projects.
- ❖ Advice and pursue sponsors of ongoing projects.
- ❖ Assists in preparing prospectus for issuing shares and debentures.
- ❖ Make liaison with the recovery and follow-up department regarding realization of dues and overdue.
- ❖ Help the company in securing approval from relevant institution.

Venture Capital Department:

With a view to encourage rapid industrialization of high risk but potential industries of the country ICB as part of business diversification has launched venture capital financing scheme. Up to 30 June 2010 ICB has received 5 applications for financing of Tk. 76.62 crore.

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Equity and Entrepreneurship Fund (EEF) Department:

The Government of Bangladesh (GOB) had set up an Equity Development Fund (EDF) in the budget 200-01 known as Equity and Entrepreneurship Fund (EEF) with a view to encouraging the investors to invest in the rather risky but promising two sectors, namely, software industry and food-processing/agro-based industry.

Business Performance of ICB for the Year 2013-14

ICB is glad to bring showed the underlying quality from claiming its business system by reliably delivering benefits over as long as decade, not withstanding turmoil previously, worldwide What's more territorial business sectors. Its highest point necessity may be to include esteem and attain engaging returns for our shareholders. Prudent portfolio oversaw economy will be a standout amongst those methodologies for money era. ICB generally attempt with differentiate its venture portfolio. ICB's speculation to manageable pay generating securities brings about yielding benefits much in such a flimsy business sector circumstance. Those partnership will proceed should reinforce its vicinity in the field through its key investment choice done guaranteeing directions. ICB (holding organization) alone need indicated its proficiency Also attained heartless money related effects with booking An net benefit in the recent past expense from claiming Tk. 310. 51 crore Throughout the FY 2013-14 for a amazing return for value for 12. 97%. Those Growth over other heads including profit income, fees, requisition & charges stayed smooth plane those quite a while. Net benefit accessible to assignment surged during those rate of 25. 26% which ensures those corporation's income generating effectiveness. Items and administrations that assume critical part for bolstering those operating money incorporate investors' scheme, private placements, wander capital, debenture financing Furthermore fees/commissions to working Similarly as investor of the issue, trustee Also caretaker of the issue of securities Furthermore giving work to bank guarantee, lien against unit certificates,

corporate monetary advice, and so forth. Those benefits of ICB remained at Tk. 8618. 42 crore, same time the partnership upheld a amazing capital sufficiency for 29. 68% (33. 30% looking into united basis), great over the obliged rate under BASEL-II for 10. 00 percent. Those proportion of non-performing possessions should downright possessions might have been during a praiseworthy 3. 54% which is easier over the industry.

Chapter 3

Objectives of the Report:

The objectives of the report are:

- i. To know how ICB floats and manage the mutual funds.
- ii. To explore the problems of ICB's mutual fund operation.
- iii. To evaluate the performance of ICB mutual funds for taking investment decision.
- iv. To evaluate and analyze the portfolio performance of ICB Mutual Fund
- v. To understand the operation and management of investment banking in Bangladesh.
- vi. To know the role Investment Corporation of Bangladesh as the market maker.
- vii. To understand the activities and contribution of mutual funds in the capital markets.
- viii. To obtain the knowledge about how the ICB Mutual Funds are managed.

Objectives of ICB:

Performance Evaluation of ICB Mutual Funds

- To encourage and broaden the base of investments.
- To develop the capital market.
- To mobilize savings.
- To promote and establish subsidiary companies for business expansion.
- To encourage and broaden the base of investment

Methodology of the Report:

1. to know how ICB floats and manage the mutual funds I will do research and gather information about that department.
2. To explore the problems of ICB's mutual fund operation I will interview the AGM of ICB.
3. To evaluate the performance of ICB mutual funds for taking investment decision, I will try getting to know about their decision making system.
4. To evaluate and analyze the portfolio performance of ICB Mutual Fund, I will do search information about the portfolio department.

Limitations

- I had to go to almost every department of ICB as a part of the internship program. There is a very short span of time to get in-depth knowledge about a massive organization like ICB.
- Officials of ICB maintain a very busy schedule. So they were not always able to provide enough time to enlighten the internee students every time, even if they had the intention to do so.
- The area covered by the report "Performance Evaluation of ICB mutual fund" concerns a

huge number of activities, and it is very difficult to sketch a total picture of the financial activities in a report of this scale.

- Data which are collected based on the financial report from 2012 to 2015.

Chapter 4

Mutual Fund

Mutual funds has been defined by different authors in different words meaning one & the same thing i.e., it is a non-deposition or non-banking financial intermediary which acts as important vehicle for bringing wealth holders & deficit units together indirectly

Types of Mutual Fund

There are 2 types of Mutual Fund:

- a) Open-end mutual fund
- b) Close-end mutual fund

Open-end Mutual Fund

The holders of the shares in fund can resell them to the issuing mutual fund company at any time. They receive in turn the net assets value (NAV) of the shares at the time of resale. Such mutual funds companies place their funds in the secondary securities market. The open-end mutual fund companies buy or sell their own shares. These companies sell new shares at NAV plus a loading or management fee and redeem shares at NAV.

Close-end Mutual Fund:

Close-end fund Investment Company has a definite target amount for the funds and cannot sell more shares after its initial offerings. Its shares are issued like any other company's new issue listed and quoted at stock exchange. The shares of close-end fund are not redeemable of their

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NAV as are in open-end fund. These shares are traded in secondary market prices that may be above or below their NAV. The objectives of close-end funds may differ as compared to open-end fund, the prices of close end mutual fund shares are denominated by demand and supply and not by NAV. The examples of close-end funds include can stick, can share, master share, magnum etc. which have the above figures.

Classification of Mutual Funds:

Each mutual fund has its specific investment policy to serve specific investors. So mutual fund can be classified by investment policy they are as follow:

Money Market Fund:

This fund is invested in short- term debt securities like commercial paper. Treasury bill. Net Assets Value is fixed and there is no tax implication with the redemption share.

Equity Funds:

These are the funds that are invested in income stocks.

Fixed Income Funds:

These funds are invested in bonds like treasury bonds, municipal bond. Here is no risk for the investors because they get fixed income from it.

Performance Evaluation of ICB Mutual Funds

Appendix

Formula used for Evaluation:

Average price= (Year high price+ year low price)/2

Pay-out Ratio= {Dividend per share (DPS)/Earnings per share (EPS)}×100

Dividend Yield Ratio= {Dividend per certificate (DPC)/ Market price per certificate (MPC)}×100

Changing dividend % = (current year dividend – previous year dividend)/ value of previous year×100

Growth Rate (Based Year) = { Value of current year – value of previous year } ×100

Net Asset = Total Assets – Total liabilities.

Expense Ratio = Total Expense/ Net Assets.

Price- Earning (P/E) Ratio = (MPC/EPC)

Dividend pay-out Ratio = (DPC/EPC)× 100

Performance Evaluation of ICB Mutual Funds

Calculation of two years performance of ICB's Mutual Funds:

1st Mutual Fund

Year	Cost Pric Port olio Tk. in lac	Market value of PortfoloT k. in lac	Growth Rate of MV Base Year (%)	MPC Tk.	EPC Tk.	DPC Tk.	P/E Ratio	Dividen Pay-out Ratio (%)	Dividen d Yield (%)
2014	1610.9	7377.15	-11.64	932.0	161.7	700	5.76	432.87	75..11
2015	1306.8	8349.16	10.25	882.0	146.8	600	6.03	410.73	68.03

(Source: Annual Report 2014-15)

Performance Evaluation of ICB Mutual Funds

2nd Mutual fund

Year	Cost Price Portfolio oTk. in lac	Market value of Portfolio Tk. in lac	Growth Rate of MV Base Year (%)	Market Price/Certificate Tk..	EPC Tk.	DPC Tk.	P/E Ratio	Divided Pay-out Ratio(%)	Divided Yield (%)
2014	975.67	1733.82	9.36	305.50	90.4	375	3.39	416.02	122.75
2015	804.44	1585.47	8.77	190.00	76.4	300	2.50	394.53	157.89

(Source: Annual Report 2014-15)

Performance Evaluation of ICB Mutual Funds

3rd Mutual Fund

Year	Cost Price Portfolio in lac	Market value of Portfolio in lac	Growth Rate of MV Base Year (%)	Market Price / Certificate	EP C Tk.	Dp C Tk.	P/E Ratio	Divided Pay-out Ratio(%)	Dividend Yield (%)
2014	1118.0	2750.	25.09	208.90	61.5	24.0	3.39	389.93	114.89
2015	884.92	2199.	18.07	151.00	55.3	20.0	2.73	361.08	132.45

(Source: Annual Report 2014-15)

Performance Evaluation of ICB Mutual Funds

4th Mutual Fund

Year	Cost Price Portfolio Tk. in lac	Market value of Portfolio Tk. in lac	Growth Rate of MV Base Year (%)	Market Price / Certificate Tk.	EP C Tk.	DP C Tk.	P/E Ratio	Dividend Payout Ratio(%)	Dividend Yield (%)
2014	1191	2711.	27.92	200.00	66.	240	3.0	361.83	120
2015	963.5	2119.7	22.49	147.80	55.5	185	2.66	332.79	125.17

(Source: Annual Report 2014-15)

Performance Evaluation of ICB Mutual Funds

5th Mutual Fund

Year	Cost Price Portfolio Tk. in lac	Market value of Portfolio Tk. in lac	Growth Rate of MV Base Year (%)	Market Price / Certificate Tk.	EP C Tk.	DP C Tk.	P/E Ratio	Dividend Pay-out Ratio(%)	Dividend Yield (%)
2014	1534.52	3502.32	15.03	193.10	46.79	200	4.13	427.44	103.57
2015	1276.74	3044.68	11.58	136.70	40.34	170	3.39	421.42	124.36

(Source: Annual Report 2014-15)

6th Mutual Fund

Year	Cost Price Portfolio Tk. in lac	Market value of Portfolio Tk. in lac	Growth Rate of MV Base Year (%)	Market Price / Certificate Tk.	EPC Tk.	DPC Tk.	P/E Ratio	Dividend Pay-out Ratio (%)	Dividend Yield (%)
2014	2052.96	3524.87	3.52	61.30	20.53	105	2.99	511.45	171.29
2015	1799.64	3404.95	15.03	48.30	19.54	100	2.47	511.77	207.04

(Source: Annual Report 2014-15)

Performance Evaluation of ICB Mutual Funds

7th Mutual Fund

Year	Cost PricePortfolio Tk. in lac	Market value of PortfolioTk. in lac	Growth Rate of MV Base Year (%)	Market Price / Certificate Tk.	EPC Tk.	DPC Tk.	P/E Ratio	Divided Pay-out Ratio(%)	Dividend Yield (%)
2014	2107.93	3869.62	-0.35	112.00	29.35	120	3.82	408.86	107.14
2015	1829.	3883.34	20.57	102.00	27.34	110	3.73	402.34	107.84

(Source: Annual Report 2014-15)

Performance Evaluation of ICB Mutual Funds

8th Mutual Fund

Year	Cost Price Portfolio Tk. in lac	Market value of Portfolio Tk. in lac	Growth Rate of MV Base Year (%)	Market Price / Certificate Tk.	EP C Tk.	DP C Tk.	P/E Ratio	Dividend Pay-out Ratio(%)	Dividend Yield (%)
2014	2507.3	4211.44	-6.34	68.40	28	110	2.44	392.86	160.82
2015	2224.4	4496.42	18.88	52.30	23.5	100	2.22	425.17	191.20

(Source: Annual Report 2014-15)

Chapter 5

Conclusion

To conclude this report it can be said that it was a great opportunity for me to study the operational activities of the investment bank as well as merchant and the capital market of the country. The Investment Corporation of Bangladesh (ICB) is virtually the only investment bank in Bangladesh. In a broader sense ICB is both Investment Bank and Development Finance Institution (DFI). ICB plays a vital role to encourage and broaden the base of investments and thereby to help develop the capital market in Bangladesh. My main focus on this report is performance appraisal on ICB Unit Fund. From the analysis it found that the Unit Funds position is good. There is low risk involvement. The main reason behind this, there was no binding in size. Now the net sale of Unit Fund is not satisfactory level. It is near about Tk. 9.11 crore in this circumstance Unit Fund also declared a handsome dividend.

Recommendation

- ❖ The Branch should be well decorated.
- ❖ Investment process should become easier.
- ❖ Employee should be more careful to client.
- ❖ Reserve should be kept at a minimum level. It may vary fund to fund but not more than 25% of a fund's income.
- ❖ ICB should make its investment schemes more attractive for availing high return project.
- ❖ Dividend policy should be fair to all funds so that the investors may be satisfied. Dividend policy should be earning basis, not year basis.

Performance Evaluation of ICB Mutual Funds

- ❖ Investing by costly borrowing funds should be reduced. Management may look for source of less costly funds & reduce expenses & increase income.
- ❖ ICB may fix redemption date of each fund, it may redeem, 1st, 2nd&3rd mutual fund. Because, these funds are established for more than 15 years.

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