

If you have any queries about this document, you may consult Asset Manager.

# PROSPECTUS

## ICB AMCL FIRST AGRANI BANK MUTUAL FUND

### Total Issue

10,00,00,000 units of Tk. 10.00 each at par for Tk. 100.00 crore

### Sponsor's Contribution

5,00,00,000 units of Tk. 10.00 each at par for Tk. 50.00 crore

### Reserved for Mutual Funds

50,00,000 units of Tk. 10.00 each at par for Tk. 5.00 crore

### Other Eligible investors (EIs)

2,00,00,000 units of Tk. 10.00 each at par for Tk. 20.00 crore

### Non-Resident Bangladeshis

50,00,000 units of Tk. 10.00 each at par for Tk. 5.00 crore

### Others General public

1,60,00,000 units of Tk. 10.00 each at par for Tk. 16.00 crore

### Reserved for Affected Small Investors (ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী)

40,00,000 units of Tk. 10.00 each at par for Tk. 4.00 crore

### Asset Manager

#### ICB Asset Management Company Limited

(A Subsidiary of ICB, registered as a public limited company under the [কম্পানি আইন, ১৯৯৪])

### Sponsor

Agrani Bank Limited

### Trustee

Investment Corporation of Bangladesh

### Custodian

Investment Corporation of Bangladesh

### Subscription

Opening date for subscription : 01 August 2017

Closing date for subscription (Cut-off date) : 10 August 2017

### Registered Office

Green City Edge (4<sup>th</sup> Floor), 89 Kakrail, Dhaka- 1000, Bangladesh.

Phone: +880-02-8300412; Fax: +880-02-8300416

E-mail: info@icbamcl.com.bd; Website: www.icbamcl.com.bd

Date of publication of Prospectus: 06 July 2017

The Fund shall apply for listing with both the Stock Exchanges.

The Issue/Fund shall be placed in "A" category.

The investors are advised, in their own interest, to carefully read the contents of the Prospectus, in particular the Risk Factors in Clause 5.1 before making any investment decision.

## FUND PROFILE

Registered Office : **ICB Asset Management Company Limited**  
Green City Edge (4<sup>th</sup> Floor),  
89 Kakrail, Dhaka- 1000, Bangladesh.

Sponsor : **Agrani Bank Limited**  
Agrani Bank Bhaban  
9 D, Dilkusha C/A,  
Dhaka-1000.

Trustee : **Investment Corporation of Bangladesh**  
BDBL Bhaban (Level 14-17)  
8 RAJUK Avenue  
Dhaka-1000.

Custodian : **Investment Corporation of Bangladesh**  
BDBL Bhaban (Level 14-17)  
8 RAJUK Avenue  
Dhaka-1000.

Asset Manager/  
Fund Manager : **ICB Asset Management Company Limited**  
Green City Edge (4<sup>th</sup> Floor),  
89, Kakrail, Dhaka- 1000, Bangladesh.

Auditor : **Ahmed Mashuque & Co.**  
62/1, Purana Paltan (Level-4)  
Dhaka-1000.

Banker : **Bangladesh Commerce Bank Limited**  
Principal Branch  
Taranga Complex  
19, RAJUK Avenue  
Motijheel C/A, Dhaka-1000.

## Definition and Elaboration of the abbreviated words and definitions used in the Prospectus

বিধিমালা / Rules	:	সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১
Act	:	বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন আইন, ১৯৯৩
Allotment	:	Letter of Allotment for units
Asset Manager/AMC	:	The Asset Management Company (AMC) refers to "ICB Asset Management Company Limited (ICB AMCL)", a subsidiary of ICB incorporated as a public limited company with the Registrar of Joint Stock Companies and Firms.
BDT	:	Bangladeshi Taka
BO A/C	:	Beneficial Owner Account or Depository Account
BSEC/Commission	:	Bangladesh Securities and Exchange Commission
CDBL	:	Central Depository Bangladesh Limited
Certificate	:	Unit Certificate of the Fund
Companies Act	:	কম্পানি আইন, ১৯৯৪ (১৯৯৪ সনের ১৮ নং আইন)
CSE	:	Chittagong Stock Exchange Limited
DSE	:	Dhaka Stock Exchange Limited
EPS	:	Earning Per Share
FC Account	:	Foreign Currency Account
FI	:	Financial Institution
FIS	:	Fixed Income Securities
Government	:	The Government of the People's Republic of Bangladesh
ICB	:	Investment Corporation of Bangladesh
IPO	:	Initial Public Offering
IDRA	:	Insurance Development & Regulatory Authority Bangladesh
Issue	:	Public Issue
MD & CEO	:	Managing Director and Chief Executive Officer
NBFI	:	Non-Banking Financial Institution
NBR	:	National Board of Revenue
Net Assets	:	The excess of assets over liabilities of the Fund, computed in the manner specified hereunder
Net Asset Value/NAV	:	Per unit value of the Fund arrived at by dividing the net assets by the number of unit outstanding of the Fund.
NRB	:	Non-Resident Bangladeshi (NRB) means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they have a valid Bangladeshi passport) or those, whose foreign passport bear a stamp from the concerned Bangladesh Embassy/High Commission to the effect that no visa is required to travel to Bangladesh.
Offering Price	:	Price of the Securities of the Fund being offered
Prospectus	:	The advertisements or other documents (approved by the BSEC), which contain the investment and all other information in respect of the Mutual Fund, as required by the বিধিমালা and is circulated to invite the public to invest in the Mutual Fund.
Reinvestment	:	Distribution of profit by issuing units as per most recent NAV of the Fund.
RJSC	:	Registrar of Joint Stock Companies & Firms
Securities	:	Units of the Fund

Selling Agent	:	The organizations (bank, financial institution, insurance company, merchant bank, stock broker) who are nominated by the respective Asset Management Company following the direction of the Commission or the person who is the certificate holder of respective course of Bangladesh Institute of Capital Market.
Sponsor	:	Sponsor of the Fund i.e. Agrani Bank Limited leading state owned commercial Bank in Bangladesh.
STD A/C	:	Short Term Deposit Account
Subscription	:	Application Money
The Fund	:	ICB AMCL First Agrani Bank Mutual Fund
Unit	:	One undivided share in the Fund

<b>HIGHLIGHTS</b>		
01.	<b>Name</b>	ICB AMCL First Agrani Bank Mutual Fund
02.	<b>Size of the Fund</b>	Tk. 100.00 crore divided into 10,00,00,000 units at par value of Tk. 10.00 each.
03.	<b>Face Value</b>	Tk. 10.00 (ten) per unit
04.	<b>Minimum Market Lot</b>	500 (five hundred) units
05.	<b>Nature</b>	Close-end Mutual Fund of 10 (ten) years tenure. The Fund may be redeemed on its pre-determined maturity at the end of the tenth year but the Fund can be converted into the Open End Scheme by taking the acceptance proposal of conversion as per BSEC rule and subject to approval of the Commission.
06.	<b>Objective</b>	The objective of the Fund is to provide attractive dividend to the unit holders by investing the proceeds in the Capital Market and Money Market.
07.	<b>Target Group</b>	Individuals, institutions, Non-Resident Bangladeshis (NRB), Mutual Funds and collective investment schemes are eligible to apply for investment in the Fund.
08.	<b>Dividend</b>	Minimum 70% income of the Fund shall be distributed as cash dividend or reinvestment or both cash dividend and reinvestment at the end of each accounting year. The Fund shall create a dividend equalization reserve fund to ensure consistency in dividend.
09.	<b>Mode of Distribution</b>	The dividend shall be distributed within 45 (forty five) days from the date of declaration.
10.	<b>Transferability</b>	Units are transferable. The transfer shall be made by the CDBL under electronic settlement process.
11.	<b>Encashment</b>	The Fund shall be listed with DSE and CSE. So investment in this Fund shall easily be encashable.
12.	<b>Tax Benefit</b>	Income shall be tax free up to certain level, which is permitted as per Finance Act. Investment in the Fund would qualify for investment tax credit under section 44(2) of the Income Tax Ordinance 1984.
13.	<b>Report &amp; Accounts</b>	Every unit holder is entitled to receive Annual Report together with the yearly and half-yearly statements of accounts as and when published.

**RISK FACTORS**

01.	The performance of the Fund is directly related with the macro economic situation particularly the capital market of Bangladesh.
02.	Since the capital market of Bangladesh is highly volatile, there is no assurance of achieving the stated objective of the Fund.
03.	Due to small number of listed securities in both the Stock Exchange(s), it may be difficult to invest the Fund's assets in a widely diversified portfolio as and when required to do so.
04.	Stock market trend shows that prices of almost all the listed securities move in unpredictable direction, which may affect the value of the Fund. Moreover, there is no guarantee that the market price of unit of the Fund shall fully reflect their underlying net asset values.
05.	If the companies wherein the Fund shall be invested fail to pay expected dividend may affect the return of the Fund.
06.	For investing in Pre-IPO Placement securities i.e. in unlisted securities by the Fund may involve liquidity risk.
07.	Uncertainties like political and social instability may affect the value of the Fund's assets.
08.	Adverse natural climatic condition may hamper the performance of the Fund.

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# CHAPTER -1

## PRELIMINARY

### 1.1 Publication of Prospectus for public offering

ICB Asset Management Company Limited has received Registration Certificate from the Bangladesh Securities and Exchange Commission (BSEC) under the বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন আইন, ১৯৯৩ and the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ made there under and also received approval for issuing Prospectus for public offering. A complete copy of the Prospectus of the public offering is available for public inspection at the registered office of the Fund.

### 1.2 Approval of the Bangladesh Securities and Exchange Commission (BSEC)

“APPROVAL OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THE FUND UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969 AND THE সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS APPROVAL THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE FUND, ANY OF ITS SCHEMES OR THE ISSUE PRICE OF ITS UNITS OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ASSET MANAGER, TRUSTEE, SPONSOR AND/OR CUSTODIAN.”

### 1.3 Listing of Fund

#### Declaration about Listing of Fund with the Stock Exchange(s)

“None of the Stock Exchange(s), if for any valid reason, grants listing within **30 (thirty) working** days from the closure of subscription, any allotment in terms of this Prospectus shall be void and the Asset Management Company shall refund the subscription money within **15 (fifteen) days** from the date of refusal for listing by the Stock Exchange(s), or from the date of expiry of the said **30 (thirty) working** days, as the case may be.

In case of non-refund of the subscription money within the aforesaid **15 (fifteen) days**, the Asset Management Company shall be severally liable for refund of the subscription money, with interest at the rate of **2% (two percent)** per month above the bank rate, to the subscribers concerned.

The Asset Management Company, in addition to the Sponsor and the Trustee shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within **7 (seven) days** of expiry of the aforesaid **15 (fifteen) days** time period allowed for refund of the subscription money.”

### 1.4 Documents available for inspection

- (01) Copy of this Prospectus shall be available at the Members of the Stock Exchanges, website and the registered office of the ICB Asset Management Company Limited ([www.icbamcl.com.bd](http://www.icbamcl.com.bd)) and also available at the website of Bangladesh Securities and Exchange Commission ([www.secbd.org](http://www.secbd.org)).

- (02) Copy of Trust Deed and Investment Management Agreement will be available for public inspected during the business hours at the head office of the Asset Management Company of the Fund.

## 1.5 CONDITIONS OF PUBLIC OFFER (PO)

### PART- A

1. The Fund shall go for Public Offer (PO) for 5,00,00,000 (five crore) units of Taka 10 (taka ten) each at par worth Taka 50,00,00,000 (fifty crore) following the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the ডিপজিটরি আইন, ১৯৯৯ and regulations issued there under.
2. **The prospectus/abridged version of the prospectus, as vetted by the BSEC, shall be published by the AMC in 2 (Two) widely circulated national daily newspapers (Bangla & English), within 5 (Five) working days of issuance of the consent letter. The AMC shall post the full prospectus, vetted by the Bangladesh Securities and Exchange Commission, in the AMC's website and shall also put on the websites of the Commission, stock exchanges, and the AMC, within 5 (Five) working days from the date of issuance of this letter and shall remain posted till the closure of the subscription list.**
3. Sufficient copies of the Prospectus shall be made available by the Asset Management Company so that any person requesting a copy may receive one. A notice shall be placed on the front of the application form distributed in connection with the offering, informing that interested persons are entitled to a Prospectus, if they so desire, and that copies of Prospectus may be obtained from the Asset Management Company. The subscription application shall indicate in bold type that no sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until **25 (twenty five) days** after the Prospectus has been published.
4. The AMC shall submit 40 (Forty) copies of the printed prospectus along with a Diskette/Compact Disk (CD) prepared in "MS WORD" containing the prospectus and its abridged version, as vetted by BSEC, to the Bangladesh Securities and Exchange Commission for official record within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper.
5. The AMC shall ensure transmission of the prospectus and abridged version of the prospectus for NRBs through email, simultaneously with publication of the abridged version of the prospectus, to the Bangladesh Embassies and Missions abroad and shall also ensure sending of the printed copies of abridged version of the prospectus to the said Embassies and Missions within **5 (Five) working days** of the publication date by Express Mail Service (EMS) of the postal department. A compliance report shall be submitted in this respect to the BSEC by the AMC within **2 (Two) working days** from the date of said dispatch of the prospectus.
6. The paper clipping of the published Prospectus/abridged version of the Prospectus, all other published documents/notices regarding the Scheme shall be submitted to the Commission within **24 (twenty four) hours** of publication thereof.
7. The Asset Management Company shall maintain a separate bank account(s) for collecting proceeds of the Public Offering and shall also open Foreign Currency (FC) account(s) to

deposit the application money of the Non-Resident Bangladeshis (NRBs) for Public Offer purpose, and shall incorporate full particulars of said FC account(s) in the Prospectus. The AMC shall open the above-mentioned accounts for Public Offer purpose and close these accounts after refund of over-subscription money. Non-Resident Bangladeshis (NRBs) means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they have a valid Bangladeshi passport) or those, whose foreign passport bear a stamp from concerned Bangladesh Embassy/High Commission to the effect that no visa is required for traveling to Bangladesh.

8. The asset Management Company shall ensure prompt collection /clearance of the foreign remittances of NRBs for allotment of units without any difficulty/complain.
9. The AMC shall apply to all the stock exchanges in Bangladesh for listing within **7 (Seven) working days** from the date of issuance of this letter and shall simultaneously submit the vetted prospectus with all exhibits, as submitted to BSEC, to the stock exchanges and shall also submit copy of the listing application to BSEC.
10. The following declaration shall be made by the AMC in the prospectus, name:-

**“Declaration about Listing of Shares with the stock exchange(s):**

None of the Stock Exchange(s), if for any reason, grants listing within 30 (thirty) working days from the closure of subscription, any allotment in terms of this Prospectus shall be void and the Asset Management Company shall refund the subscription money within 15 (fifteen) days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 30 (thirty) working days, as the case may be.

In case of non-refund of the subscription money within the aforesaid 15 (fifteen) days, the Asset Management Company shall be liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The Asset Management Company, in addition to the Sponsor and Trustee, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within 7 (seven) days of expiry of the aforesaid 15 (fifteen) days time period allowed for the refund of the subscription money”.

11. The subscription list shall be opened and the sale of securities commenced after **25 (Twenty Five) days** of the publication of the abridged version of the prospectus.
12. The IPO shall stand cancelled and the AMC shall inform the stock exchanges within **2 (two) working days** of receiving verification report and information from CDBL to release the application money if/in case at least 50% of the targeted amount under বিধি 48 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, is not subscribed.
13. The AMC should ensure compliance of বিধি 46 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.
14. a) **Under Eligible Investors (EIs): 10% of total public offering shall be reserved for Mutual Funds and 40% of total public offering shall be reserved for the Eligible Investors;**  
  
b) **10% of total public offering shall be reserved for Non-Resident Bangladeshis (NRBs), and the 40% shall be reserved for subscription by others General public.**

15. a) **20% of the securities reserved for other general public shall be reserved for ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী.**
- b) **In case of under-subscription under any of sub-categories of eligible Investor's category or general public category, the unsubscribed portion shall be added to other sub category of the same category. And, even after adding the unsubscribed portion of the subcategory with other sub-category under same category, if the category is still remain under-subscribed, the undersubscribed portion shall be fulfilled by oversubscribed portion (if any) of other category.**
- c) **In case of over subscription in the general public category, the Asset Management Company shall conduct an open lottery. In case of over subscription in the eligible investor's category, securities shall be allotted on pro-rata basis. No eligible investor shall apply for more than 10% (ten percent) of the total securities reserved for the other eligible investors.**
16. **All the applicants shall first be treated as applied for one minimum market lot of 500 shares worth Taka 5,000/-(Taka Five Thousand only) If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. In case of over-subscription under any of the categories mentioned hereinabove, the AMC shall conduct an open lottery of all the applications received under each category separately in presence of representatives from the trustee, BSEC, the stock exchanges and the applicants, if there be any.**
17. **An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case an applicant submits more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
18. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money too.**
19. **Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of the application money and/or forfeiture of share (unit) before or after issuance of the same by the AMC. The said forfeited application money or share (unit) will be deposited in account of the Bangladesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.**
20. **Public Offer distribution system:**
- a) **Out of public offering Tk. 5,00,00,000 (Five Crore) only shall be reserved for Mutual Funds, Tk. 20,00,00,000 (Twenty Crore) only shall be reserved for the Eligible Investors (EIs), Tk. 5,00,00,000 (five Crore) only for Non-Resident Bangladeshis (NRBs) and the remaining units of Tk. 20,00,00,000 (Twenty Crore) only shall be reserved for subscription by other General Public including ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী;**
- b) **All securities/units stated in para (a) shall be offered for subscription and subsequent allotment by the Asset Management Company subject to any restriction which may be imposed from time to time by the Bangladesh Securities and Exchange Commission;**

- c) In case of **over-subscription in all of the 4 (four) subcategories** mentioned in para (a), the Asset Management Company shall conduct an open lottery of all the applications received under each subcategory **separately** in accordance with the BSEC's instructions;
- d) **20% of the securities reserved for other general public shall be reserved for ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী**. In case of under-subscription under any of sub categories of Eligible Investors category or General Public category, the unsubscribed portion shall be added to other sub category of the same category. And even after adding the unsubscribed portion of the sub-category with other sub-category under the same category, if the category is still remain under-subscribed, the undersubscribed portion shall be fulfilled by oversubscribed portion (if any) of other category. In case of over subscription in the general public category, the Asset Management Company shall conduct an open lottery. In case of over subscription in the eligible investor's category, securities shall be allotted on pro-rata basis;
- e) The lottery as stated in para (c) and (d) shall be conducted in the presence of authorized representatives of the BSEC, Stock Exchange(s) concerned, Sponsor, Asset Management Company, Trustee and the applicants.
21. The Asset Management Company shall furnish the list of Allotees to the commission and the Stock Exchange(s) simultaneously in which the units will be listed, within 24 (twenty four) hours of allotment.
22. **Unit Certificates for 100% of the Sponsor's contribution amounting to Tk. 50,00,00,000 (Fifty Crore) only shall be subject to a lock-in period of 1 (one) year from the date of listing in the Stock Exchange(s) and 1/10<sup>th</sup> of the Sponsor's contribution amounting to Tk. 5,00,00,000 (Five Crore) only shall be subject to a lock-in period of full time of the Fund.**
23. All Pre-IPO placement will be in **6 (six) months lock-In** period from the date of listing of the Fund.
24. If the Asset Management Company fails to collect the minimum 50% of the targeted amount under বিধি 48 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, it will **refund** the subscription money within **30 (thirty) days** from the closure of subscription without any deduction. In case of failure, the Asset Management Company shall refund the same with an interest @ 18% per annum from its own account within the next month.
25. The Asset Management Company shall apply for listing of the Scheme with stock exchange(s) within **7 (seven) working days** from the date of approval for publication of the Prospectus.
26. The Scheme shall maintain **escrow bank account** for the proceeds of public offering. The Fund collected through public offering shall not be utilized prior to the allotment and shall be effected through banking channel i.e., through account payee cheque, pay order, bank draft etc.
27. The Scheme shall not be involved in **option trading, short selling** or **carry forward** transactions.

28. The Annual Report or its abridged version of the Scheme shall be published within **45 (forty five) days** of the closure of each accounting year of the Fund.
29. The Annual Report and details of investment and savings of the Scheme shall be submitted to the Commission, Trustee and Custodian of the Schemes of the fund **within 90 (ninety) days** from the closure of the accounts.
30. Half-yearly accounts/financial results of the Fund shall be submitted to the Commission & the Stock Exchange(s) and published in at least one widely circulated Bangla national daily newspaper within **30 (thirty) days** from end of the period.
31. Dividend shall be paid within **45 (forty five) days** of its declaration, and a report shall be submitted to BSEC, Trustee and Custodian within **7 (seven) days** of dividend distribution.
32. Net asset Value (NAV) of the Fund shall be calculated and disclosed publicly as per the বিধি ৬০ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.
33. BSEC may appoint auditors for special audit/investigation on the affairs of the Scheme, if it so desires.

## **PART – B**

### **Application Process**

#### **Step-1 (Applicant)**

1. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. The subscription closing date), which shall be the **25th (twenty fifth) working day** from the date of publication of abridged version of prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:
  - a. Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.
  - b. Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the mutual fund for an amount equivalent to the application money, with their application to concerned Stockbroker/Merchant Banker. A Non-resident Bangladeshi (NRB) and Foreign applicant may also submit a single draft against 02(two) applications made by him/her, i.e. one in his/her own name and the other jointly with another person. The draft (FDD) shall be issued by the Bank where the applicant maintains NITA/Foreign Currency account debiting the same account. No banker shall issue more than two drafts from any NITA/Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.

### **Step-2 (Intermediary)**

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely "Public Issue Application Account". The Stockbroker/Merchant Banker shall:

a. post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;

b. accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the "Public Issue Application Account" maintained with its bank within the **first banking hour of next working day** of the cut-off date. In case of application submitted by the Stock-dealer or the Merchant Banker's own portfolio, the application amount should also be transferred to the "Public Issue Application Account";

c. instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.

4. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.

5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker will prepare a list containing the draft information against the respective applicant's particulars.

6. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and within **03 (three) working days** from the cut-off date, send it to the respective Stock Exchange in electronic (text format with tilde "~" separator) format, the certificate(s) issued by its banker, the drafts received from Non-resident Bangladeshi (NRB) and Foreign applicants and a copy of the list containing the draft information.

7. **On the next working day**, the stock Exchanges shall provide the AMC with the information received from the Stockbroker/Merchant Bankers, the drafts submitted by Non-resident Bangladeshi (NRB) and Foreign applicants and the list containing the draft information. Exchanges shall verify and preserve the bankers' certificates in their custody.

8. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers **up to 6 months** from listing of the securities with exchange.

### **Step-3 (AMC of Mutual Fund)**

9. The Asset Management Company (AMC) shall prepare consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification. The AMC shall post the consolidated list of applicants on its website and websites of Exchanges. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.

10. **On the next working day**, CDBL shall provide the AMC with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name, Joint Account and Bank Account Information along with the verification report.

11. After receiving verification report and information from CDBL, the AMC shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the stock exchanges **within 10 (ten) working days** from the date of receiving information from the stock exchanges.

**12.** The AMC of mutual fund shall conduct category wise lottery with the valid applications **within 03 (three) working days** from the date of reporting to the Commission and the Exchanges, if do not receive any observation from the Commission or the Exchanges.

**13.** The AMC of mutual fund shall arrange posting the lottery result on their websites **within 06 (six) hours** and on the websites of the Commission and Stock Exchanges **within 12 (twelve) hours** of lottery.

**14. Within 02 (two) working days** of conducting lottery, the AMC shall:

a. Send category wise lists of the successful and unsuccessful applicants in electronic (text format with tilde “~” separator) format to the respective Exchange.

b. send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the Consent Letter issued by the Commission in electronic (text format with tilde “~” separator) format to the Commission and Exchanges mentioning the penalty amount against each applicant.

c. issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Exchange in electronic form.

d. send consolidated allotment data (BOID and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

#### **Step-4 (Intermediary)**

**15.** On the next working day, Stock Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:

a. remit the amount of successful (other than NRB and Foreign) applicants to the AMC of mutual fund’s respective Escrow account opened for subscription purpose and unblock the amount of unsuccessful applicants;

b. send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Mutual Fund’s respective Escrow Accounts along with a list and unblock the balance application money;

**16. On the next working day** of receiving the documents from the Stock Exchanges, the Stockbrokers/Merchant Bankers shall request its banker to:

a. release the amount blocked for unsuccessful (other than NRB and Foreign) applicants;

b. remit the aggregate amount of successful applicants and the penalty amount of unsuccessful applicants (other than NRB and foreign) who are subject to penal provisions to the respective “Escrow” account of the AMC opened for subscription purpose.

**17. On the next working day** of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Fund’s “Escrow” account.

**18. Simultaneously**, the Stockbrokers/Merchant Bankers shall release the application money blocked in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts and send documents to the

Exchange evidencing details of the remittances made to the respective “Escrow” accounts of the Fund. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions. The Stockbroker/Merchant Banker shall be entitled to recover the withdrawal charges, if any, from the applicant who wants to withdraw the application money, up to an amount of Tk. 5.00 (five) per withdrawal.

**19.** All drafts submitted by NRB or Foreign applicants shall be deposited in the Mutual Fund’s respective ‘Escrow’ accounts and refund shall be made by the AMC by refund warrants through concerned stockbroker or merchant banker or transfer to the applicant’s bank account through banking channel **within 10 (ten) working days** from the date of lottery.

### **Miscellaneous:**

**20.** The AMC, Stockbrokers and Merchant Bankers shall jointly ensure compliance of the above.

**21.** The bank draft (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.

**22.** Amount deposited and blocked in the “Public Issue Application Account” shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.

**23.** The AMC of mutual fund shall pay the costs related to data transmission, if claimed by the Stock Exchange concerned up to an amount of Tk. 2,00,000.00 (two lac) for public issue.

**24.** The Stockbrokers/Merchant Bankers shall be entitled to a service charge of 5.00 (taka five) only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.

**25.** The Stockbroker/Merchant Banker shall provide the AMC of mutual fund with a statement of the remittance and drafts sent.

**26.** The AMC of Mutual Fund shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.

**27.** The concerned Exchange are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

### ***PART – C***

1. The Asset Management Company (i.e. ICB Asset Management Company Limited) shall ensure that the prospectus/abridged version of prospectus is published correctly and in strict conformity without any error/omission, as vetted by the Bangladesh Securities and Exchange Commission.
2. The Asset Management Company shall carefully examine and compare the published prospectus/abridged version of prospectus on the date of publication with the prospectus, as vetted by BSEC. If any discrepancy/inconsistency is found both the Sponsor and the Asset Management Company shall jointly publish a corrigendum immediately in same newspapers concerned, simultaneously endorsing copies thereof to BSEC and the stock exchange(s) concerned, correcting the discrepancy/inconsistency as required under ‘Declaration’ provided with BSEC.

3. The sponsor and the Asset Management Company shall immediately after publication of prospectus jointly inform the Commission in writing that the published prospectus/abridged version of the prospectus is a verbatim copy of the prospectus vetted by the commission.
4. The sponsor and the Asset Management Company shall simultaneously submit to the Commission an attested copy of the application filed with Stock Exchange(s) for listing of the securities.
5. The fund collected through public offering shall not be utilized prior to allotment and/or issuance of unit, as and when applicable, and that utilization of the said fund shall be effected through banking channel, i.e. account payee cheque, pay order or bank draft etc.

#### **PART – D**

1. All the above-imposed conditions imposed under section 2CC of the Securities and Exchange Ordinance, 1969 shall be incorporated in the Prospectus/abridged version immediately after the page of the table of contents where applicable, with a reference in the table of contents, prior to its publication.
2. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the Sponsor, Asset Management Company, Trustee and Custodian.

#### **PART – E**

1. As per provision of the ডিপজিটরি আইন, ১৯৯৯ and regulations made hereunder, units shall only be issued in dematerialized condition. All transfer/transmission/splitting will take place in Central Depository Bangladesh Limited (CDBL) system and any further issuance of units will be issued in dematerialized form only.

**An applicant (including NRB) shall not be able to apply for allotment of units without Beneficiary Owner account (BO account).**

2. The Asset Management Company shall also ensure due compliance of all above mentioned conditions.

#### **1.6 General Information**

- (01) This Prospectus has been prepared by ICB AMCL based on the Trust Deed executed between the Trustee & the Sponsor of the Fund, which is approved by the Commission. The information contained herein is true and correct in all material aspects and that there are no other material facts, the omission of which would make any statement herein misleading.
- (02) No person is authorized to give any information to make any representation not contained in this Prospectus and if given or made, any such information or representation must not be relied upon as having been authorized by the ICB AMCL.
- (03) The issue as contemplated in this document is made in Bangladesh and is subject to the exclusive jurisdiction of the court of Bangladesh. Forwarding this Prospectus to any person residing outside Bangladesh in no way implies that the issue is made in accordance with the laws of that country or is subject to the jurisdiction of the laws of that country.

## 1.7 Subscription

Subscription to the ICB AMCL First Agrani Bank Mutual Fund shall open on ..... and shall be closed at the end of the banking business on .....

## 1.8 DECLARATIONS AND DUE DILIGENCE CERTIFICATE

### Declarations about the responsibility of the Sponsor

The Sponsor, whose name appears in this Prospectus, accepts full responsibility for the authenticity and accuracy of the information contained in this Prospectus and other documents regarding the Fund. To the best of the knowledge and belief of the Sponsor, who has taken all reasonable care to ensure that all conditions and requirements concerning this public issue and all the information contained in this document, drawn up by virtue of the Trust Deed of the Fund by the entrusted AMC, have been met and there is no other information or documents the omission of which may make any information or statements therein misleading.

The Sponsor also confirms that full and fair disclosures have been made in this Prospectus to enable the investors to make an informed decision for investment.

Sd/-  
**(Md. Ali Hossain Prodhania)**  
General Manager  
Agrani Bank Limited

### Declaration about the responsibility of the Asset Management Company

This Prospectus has been prepared by us based on the Trust Deed, Investment Management Agreement, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, the ডিপজিটরি আইন, ১৯৯৯ and other related agreement & examination of other documents as relevant for adequate disclosure of the Fund's objectives and investment strategies to the investors. We also confirm that:

- (a) This Prospectus is in conformity with the documents, materials and papers related to the offer;
- (b) All the legal requirements of the issue have been duly fulfilled; and
- (c) The disclosures made are true, fair and adequate for investment decision.

Investors should be aware that the value of investments in the Fund could be volatile and as such no guarantee can be made about the returns from the investments that the Fund shall make. Like any other equity investment, only investors who are willing to accept a moderate amount of risk, should invest in the Fund. Investors are requested to pay careful attention to the "Risk Factors" as detailed in Chapter-5 and to take proper cognizance of the risks associated with any investment in the Fund.

Sd/-  
**(Md. Golam Rabbani)**  
Chief Executive Officer (Add. Charge)  
ICB Asset Management Company Limited

### **Declaration about the responsibility of the Trustee**

We, as Trustee of the ICB AMCL First Agrani Bank Mutual Fund, accept the responsibility and confirm that we shall:

- (a) Be the guardian of the Fund, held in trust for the benefit of the unit holders in accordance with the Rules and Trust Deed;
- (b) Always act in the interest of the unit holders;
- (c) Take all reasonable care to ensure that the Fund floated and managed by the Asset Management Company are in accordance with the Rules and Trust Deed;
- (d) Make such disclosure by the Asset Management Company to the investors as are essential in order to keep them informed about any information, which may have any bearing on their investments;
- (e) Take such remedial steps as are necessary to rectify the situation where they have reason to believe that the conduct of business of the Fund is not in conformity with the relevant Rules.

Sd/-  
**(Mohammed Shahjahan)**  
General Manager  
Investment Corporation of Bangladesh

### **Declaration about the responsibility of the Custodian**

We, as Custodian of the ICB AMCL First Agrani Bank Mutual Fund accept the responsibility and confirm that we shall:

- (a) Keep all the securities in safe custody and shall provide the highest security for the assets of the Fund; and
- (b) Preserve necessary documents and record so as to ascertain movement of assets of the Fund as per Rules.

Sd/-  
**(Mohammed Shahjahan)**  
General Manager  
Investment Corporation of Bangladesh

## **Due Diligence Certificate by Asset Management Company**

To  
The Bangladesh Securities and Exchange Commission

**Sub: Public Offer of 5,00,00,000 Ordinary Units of Tk. 50,00,00,000 by The ICB AMCL First Agrani Bank Mutual Fund.**

Dear Sir,

We, the Asset Management Company of the above-mentioned forthcoming fund, state and confirm this prospectus has been prepared by us based on the Trust Deed, Investment Management Agreement, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, the ডিপজিটরি আইন, ১৯৯৯ and other related agreement & examination of other documents as relevant for adequate disclosure of the Fund's objectives and investment strategies to the investors. We also confirm that:

- (a) This Prospectus is in conformity with the documents, materials and papers related to the offer;
- (b) All the legal requirements of the issue including CONDITIONS OF PUBLIC OFFER (PO) imposed by the BSEC have been duly fulfilled; and
- (c) The disclosures made are true, fair and adequate for investment decision.

Sd/-  
**(Md. Golam Rabbani)**  
Chief Executive Officer (Add. Charge)  
ICB Asset Management Company Limited

## CHAPTER-2

### BACKGROUND

#### 2.1 Formation of ICB AMCL First Agrani Bank Mutual Fund

Mutual Funds are recent entrants in the field and are fast-emerging as a buffer between the gullible and vulnerable small and medium investors and treacherous capital market. Elsewhere in the world, mutual funds have proved to be safe intermediately in capital and money market. Safety of funds, disposal of risks and a satisfactory yield are the hallmarks of mutual funds. In Bangladesh ICB is the harbinger of mutual funds. In the Market of Bangladesh so far 64 (sixty four) mutual funds are floated, ICB and its Subsidiary have floated 23 (twenty three) mutual funds. Among these 23 (twenty three) mutual funds, the ICB AMCL have managed 22 (twenty two) including 10 (ten) converted mutual funds which are given below:

Name of the Conventional Mutual Funds	Name of the Sponsor/Initiator	Nature
Prime Finance First Mutual Fund	Prime Finance and Investment Limited	Close-end
ICB AMCL Second Mutual Fund	ICB Capital Management Limited	Close-end
ICB Employees Provident Mutual Fund One: Scheme One	ICB Employees Provident Fund	Close-end
Prime Bank 1 <sup>st</sup> ICB AMCL Mutual Fund	Prime Bank Limited	Close-end
Phoenix Finance 1 <sup>st</sup> Mutual Fund	Phoenix Finance & Investment Limited	Close-end
ICB AMCL Sonali Bank Limited 1 <sup>st</sup> Mutual Fund	Sonali Bank Limited	Close-end
ICB AMCL Unit Fund	ICB Capital Management Limited	Open-end
ICB AMCL Converted First Unit Fund*	ICB Capital Management Limited	Open-end
First ICB Unit Fund*	Investment Corporation of Bangladesh	Open-end
Second ICB Unit Fund*	Investment Corporation of Bangladesh	Open-end
Third ICB Unit Fund*	Investment Corporation of Bangladesh	Open-end
Fourth ICB Unit Fund*	Investment Corporation of Bangladesh	Open-end
Fifth ICB Unit Fund*	Investment Corporation of Bangladesh	Open-end
Sixth ICB Unit Fund*	Investment Corporation of Bangladesh	Open-end
Seventh ICB Unit Fund*	Investment Corporation of Bangladesh	Open-end
Eighth ICB Unit Fund*	Investment Corporation of Bangladesh	Open-end
Name of the Non-Conventional Mutual Funds		
ICB AMCL First NRB Mutual Fund	ICB Capital Management Limited	Close-end
ICB AMCL Second NRB Mutual Fund	ICB Capital Management Limited	Close-end
ICB AMCL Third NRB Mutual Fund	ICB Capital Management Limited	Close-end
IFIL Islamic Mutual Fund-1	Islamic Finance & Investment Limited	Close-end
ICB AMCL Pension Holders' Unit Fund	ICB Capital Management Limited	Open-end
Bangladesh Fund	Investment Corporation of Bangladesh Sonali Bank Limited Janata Bank Limited Agrani Bank Limited Rupali Bank Limited Bangladesh Development Bank Limited Sadharan Bima Corporation Jiban Bima Corporation	Open-end
ICB AMCL Islamic Unit Fund*	ICB Capital Management Limited	Open-end

Note: \* Converted into Open-end Mutual Fund from Close-end.

Mutual Funds contribution is bigger than other securities in developed countries. As of September 30 2016, Asset under Management (AUM) to Market Capitalization ratio for Bangladesh remain low, only around 2.3%, compared to 15.16% and 5.22% of India and Pakistan respectively. (Source: DSE, Mutual Fund Association of India and Pakistan) In current situation, Agrani Bank Limited, a state owned Commercial Bank, comes forward with the proposal to act as Sponsor of a Mutual Fund namely ICB AMCL First Agrani Bank Mutual Fund to fulfill the market demand.

## **2.2 Present condition of the capital market regarding formation of Mutual Fund**

In Bangladesh, the major stock market indicators improved as investors injected more money into securities. The Dhaka Stock Exchange (DSE) broad index grew by 2.3% in June 2015 over June 2014, reaching 4,583.1. The market price earnings ratio declined to 15.9 in June 2015 from 16.4 in June 2014. Since June 2014, 19 new companies have been listed on the DSE. DSE market capitalization rose by 10.3% in the year to June 2015. Net foreign portfolio investment is estimated to have fallen by a third to \$ 618 million in FY2015 from \$937 million in FY2014.

The Chittagong Stock Exchange (CSE) selected categories index largely followed the trends of the DSE broad index. The CSE index rose by 1.0% in June 2015 from June 2014, and CSE market capitalization rose by 13.2% in the same period.

The stock market was stable from June 2014 to June 2015, with no major rise or decline. The ongoing process of demutualization through the separation of trading rights from ownership and management in the Dhaka and Chittagong stock exchanges under the Exchange Demutualization Act, 2013 improves stability and transparency in the capital market. It eliminates conflicts of interest in decision making and clearly defines the roles of the regulators and players in the exchanges. The Financial Reporting Act, which established the Financial Reporting Council as the authority surveilling the auditing industry, greatly enhanced investor confidence in the capital market. However, further strengthening of the capital market depends on initiatives to introduce new financial products such as derivatives and sukuks (sharia-compliant financial certificates) along with an appropriate regulatory framework, attract the participation of strategic and institutional investors, and establish a credible government yield curve for the bond market.

The number of listed securities in DSE was at 559 where 287 were companies, 41 mutual funds, 8 debentures, 221 treasury bonds and 2 corporate bonds which market capitalization stood at Tk. 3,15,696.20 crore at the end of December 31, 2015. The DSEX index stood at 4,629.64 points on December 31, 2015 as against 4864.96 points on the same day of the last year which is 4.83% lower than that of previous year.

On the other hand, the number of listed securities in CSE was 299 where 256 were companies, 41 mutual funds and 2 corporate bonds which market capitalization stood at Tk. 2,48,749.28 crore at the end of December 31, 2015. On the contrary, the CSE All Share Price Index was 14089.63 points on December 31, 2015 as against 14938.92 points on the same day of the last year which is 5.68% lower than that of previous year.

In the present scenario mutual fund has emerged as the effective investment vehicle for those who like to rely on professional fund manager for investment management as it has been tested over time all around the world in both developed and emerging economies. The professional fund management, portfolio diversification, low cost but high quality investing, convenience, flexibility, and liquidity are distinct features of a mutual fund that make it a very reliable market instrument for small investors. It is apparent that there is ample opportunity for growth of our nascent mutual fund industry.

It can be said that in course of time mutual fund shall play a vital role in our capital market because of its inherent strength of being a professionally managed investment vehicle and the small individual investors shall gradually go under the umbrella of professional fund managers like those in any other emerging market.

### **2.3 Advantages in investing in ICB AMCL First Agrani Bank Mutual Fund**

Generally investment in Mutual Funds enjoys the some advantages compared to investment made directly in other securities of the capital market. Investors of this Mutual Fund should be able to enjoy the following advantages:

- (01) Diversified portfolio to be developed for the Fund shall help in lowering investment risk of the small investors.
- (02) Diversified portfolio of the Fund shall help the small investor to access to the whole market, which is difficult at individual level.
- (03) By channelizing small investors saving both in local currency and foreign currency shall add liquidity to the market.
- (04) As the Fund shall be professionally managed, investors shall be relieved from the emotional stress associated with day-to-day management of individual investment portfolio.
- (05) The Mutual Fund industry gives investors more and better information than any other investment industry.
- (06) Expertise in stock selection and timing is made available to investors by generating higher return to them.
- (07) The investors shall be able to save a great deal in transaction/operating cost as he/she has access to a larger number of securities by purchasing a single unit of the Mutual Fund.
- (08) Fund shall apply for listing on stock exchanges to enable investors to enjoy liquidity of their investment as well as to realize appreciation available as a result improving market positions.
- (09) According to the rules of BSEC, the Mutual Funds and collective investment schemes registered with the Commission enjoy a ten percent reserve quota in all Initial Public Offerings (IPOs). Therefore, investors in Mutual Funds by default enjoy the benefit of acquiring lucrative stocks at the Primary Market.
- (10) Tax exemption is available for investors of Mutual Fund. Income from the Fund shall be tax free up-to certain level, which is permitted as per Finance Act.
- (11) Investment in the Fund would qualify for investment tax credit under section 44(2) of the Income Tax Ordinance, 1984.
- (12) Management and operation of Mutual Funds are subject to prudential guidelines. BSEC regularly monitors the performance of such funds. The laws governing Mutual Funds require exhaustive disclosure to the regulator and general public. As a result, the investors shall be able to know the performance of the Fund and accordingly they can be able to take convenient entry and exit options.

## CHAPTER-3

### THE FUND

#### 3.1 The constitution of the Fund

The ICB AMCL First Agrani Bank Mutual Fund is constituted by a Trust Deed entered into between Agrani Bank Limited and Investment Corporation of Bangladesh on **07 July 2015** under the Trust Act, 1882 and Registration Act, 1908.

The Fund has been registered by the BSEC on **09 March 2014** under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১. The Fund received consent for issuing Prospectus for public offer from BSEC on **02 July 2017**.

#### 3.2 Life of the Fund

The Fund shall be a close-end Mutual Fund of **10 (ten) years** tenure, established with a view to broaden the base of investment and develop the capital market.

The Fund may be redeemed on its pre-determined maturity at the end of the tenth year but the fund can be converted into the Open-end scheme by taking the acceptance proposal of conversion as per BSEC rules and subject to the approval of the Commission.

#### 3.3 Size, Face Value and Market Lot of the Fund

- (01) Total Fund is at 10,00,00,000 (ten crore) units of Tk. 10.00 (ten) each totaling Tk. 100,00,00,000.00 (one hundred crore) only.
- (02) The Sponsor's portion of the Fund is 5,00,00,000 (five crore) units of Tk. 10.00 (ten) each totaling Tk. 50,00,00,000.00 (fifty crore) only.
- (03) Size of the Initial Public Offering (IPO) is 5,00,00,000 (five crore) units, each worth Tk. 10.00 (ten), totaling Tk. 50,00,00,000.00 (fifty crore) only available as public offering to Mutual Funds, Eligible Investors, NRB, Affected Small Investors (ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী), Others General Public.
- (04) The initial market lot shall be constituted of 500 (five hundred) units.

## CHAPTER- 4

### INVESTMENT OBJECTIVES AND POLICIES

#### 4.1 Investment Objective

The main objective of the Fund is to invest in the Capital and Money Market of the country and to provide attractive dividend to the investors.

#### 4.2 Investment Policies

- (01) The Fund shall invest subject to the বিধিমালা and only in those securities, deposits and investments approved by the BSEC and/or the Bangladesh Bank and/or the Insurance Development & Regulatory Authority Bangladesh (IDRA) of Bangladesh or any other competent authority in this regards.
- (02) Not less than 60% of the total asset of the Fund shall be invested in capital market instruments out of which at least 50% shall be invested in listed securities or as determined by the Commission from time to time.
- (03) Not more than 15% of the total asset of the Fund shall be invested in pre-IPOs of Issuer Companies at one time or as determined by the Commission from time to time.
- (04) All money collected under the Fund shall be invested in en-cashable/transferable instruments, securities whether in money market or capital market or privately placed pre-IPO equity, preference shares, debentures or securitized debts.
- (05) The Fund shall get the securities purchased or transferred in the name of the Fund.
- (06) Only the Asset Management Company shall make the investment decisions and place orders for securities to be purchased or sold for the Fund's portfolio.
- (07) The Asset Management Company shall choose broker(s) for the purchase and sale of securities for the Fund's portfolio.
- (08) Settlement of transaction shall take place as per the customs and practice of the relevant laws.

#### 4.3 Investment Restrictions

In making investment decision the following restrictions should be taken into due consideration:

- (01) The Fund shall not invest more than 10% of its assets in any one particular company or as determined by the Commission from time to time.
- (02) The Fund shall not own more than 15% of any company's paid-up capital at any point of time or as determined by the Commission from time to time.
- (03) The Fund shall not invest more than 20% of its total asset in shares, debentures or other securities of a single company or group or as determined by the Commission from time to time.

- (04) The Fund shall not invest more than 25% of its total asset in shares, debentures or other securities in any one industry or as determined by the Commission from time to time.
- (05) The Fund shall not invest in or lend to any Scheme under the same Asset Management Company unless authorized by the Commission.
- (06) The Fund shall not acquire any asset out of the Trust property, which involves the assumption of any liability that is unlimited or shall result in encumbrance of the Trust property in any way.
- (07) The Fund shall not provide term loan or advance to any entity unless authorized by the Commission.
- (08) The Fund shall not involve in option trading or short selling or carry forward transactions unless authorized by the Commission.
- (09) The Fund shall not buy its own units, other than under any approved buy-back or redemption plan.

#### **4.4 Valuation Policy**

The Fund intends to determine its NAV per unit on the last business day of each week by dividing the value of the net asset of the Fund (the value of total asset less total liabilities as per বিধি ৬০ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ by the total number of units outstanding). As per বিধি ৫৮ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, valuation policy of investment of the Fund needs to be approved earlier by BSEC. Valuation criterion so far approved by the Commission in the Trust Deed is as follows:

- (01) For listed securities, the average quoted market price on the Stock Exchanges on the date of valuation shall form the basis of any calculation of Net Asset Value of such securities in the portfolio of the Fund.
- (02) For securitized debts, debentures, margin or fixed deposits, the accrued interest on such instruments on the date of valuation shall be taken into account in any calculation of Net Asset Value of such securities in the portfolio of the Fund.
- (03) The valuation of listed securities not traded within previous one month shall be made based on their reasonable value by the Asset Management Company and approved by the Trustee and commented upon by the auditors in the Annual Report of the Fund but shall not be more than the intrinsic value of the securities.
- (04) The valuation of non-listed securities shall be made by the Asset Management Company with their reasonable value and approved by the Trustee and commented upon by the Auditors in the Annual Report of the Fund.
- (05) Once non-listed securities are valued, the valued amount shall be considered for purpose of valuing the Fund's assets in any interval of time until the securities are further revalued by the Asset Management Company.
- (06) Asset Management Company and Trustee shall value the non-listed securities at least once in every three months.

(07) In case of deferred expenses, accrued expenses for the period shall be taken into account for determining total liabilities.

(08) Net Asset Value (NAV) calculation

The Fund shall use the following formula to derive NAV per unit:

$$\text{Total NAV} = V_A - L_T$$

$$\text{NAV per unit} = \text{Total NAV} / \text{No. of units outstanding}$$

$V_A$  = Value of all securities in vault + Value of all securities placed in lien + Cash in hand and at bank + Value of all securities receivables + Receivables of proceeds of sale of investments + Dividend receivables net off tax + Interest receivables net of tax + Issue expenses net off amortized amount as on date + Printing, publication and stationery expenses net off amortized amount as on date.

$L_T$  = Value of all securities payable + Payable against purchase of investments + Payable as brokerage and custodial charges + Payable as Trustee fees + All other payable related to printing, publication and stationery + Accrued deferred expenses with regard to management fee, annual fee, audit fee and safe keeping fee.

#### 4.5 Investment Management

ICB AMCL shall conduct the day-to-day management of the Fund's portfolio as the Asset Management Company subject to the provisions laid down in the বিধিমালা and Trust Deed or any general directions given by the Trustee and/or by the Commission.

However, ICB AMCL shall have discretionary authority over the Fund's portfolio about investment decision.

#### 4.6 Dividend Policy

(01) The accounting year of the Fund shall be July 01 to June 30.

(02) The Fund shall, as soon as may be, after the closing of the annual accounts, declare and distribute cash dividend or reinvestment or both cash dividend and reinvestment if any, to the unit holders in accordance with the বিধিমালা, an amount which shall not be less than 70% of the realized income during the year, or as determined by the Commission from time to time. The Fund shall create a Dividend Equalization Reserve by appropriation from the income of the Fund.

(03) Before declaration of dividend, the Asset Management Company shall make a provision in consultation with the auditors if market value of investments goes below the acquisition cost and the method of calculation of this provision shall be incorporated in the notes of accounts.

- (04) Surpluses arising simply from the valuation of investments shall not be available for dividend.
- (05) Dividend warrants shall be dispatched within 45 (forty five) days from the declaration of such dividend.
- (06) Before record of ownership by the CDBL, a transferee shall not possess the right to any dividend declared by the Fund.
- (07) The Asset Management Company may open separate Bank Account for each dividend distribution out of the Fund. Notwithstanding anything in the Trust Deed the beneficial ownership of the balances in the Accounts shall vest in the Unit Holders.

## **CHAPTER-5**

### **RISK MANAGEMENT**

#### **5.1 Risk Factors**

Investment in securities market always bears some risks. Investment in this Fund also involves certain risk factors. The investors should carefully consider the following risks in addition to other information contained in the Prospectus in evaluating the offer and also for taking a decision whether to invest or not:

- (01) The performance of the Fund is directly related with the macro economic situation particularly the capital market of Bangladesh.
- (02) Since the capital market of Bangladesh is highly volatile, there is no assurance of achieving the stated objective of the Fund.
- (03) Due to small number of listed securities in both the Stock Exchanges, it may be difficult to invest the Fund's assets in a widely diversified portfolio as and when required to do so.
- (04) Due to a very thin secondary debenture market in Bangladesh, it would be difficult for the Fund Manager to swap between asset classes if and when required.
- (05) Limited money market instruments narrowed the opportunity of short term or temporary investments of the Fund.
- (06) Stock market trends show that price of almost all the listed securities move in unpredictable direction which may affect the value of the Fund. Moreover, there is no guarantee that the market price of units of the Fund shall fully reflect their underlying net asset values.
- (07) If the companies fail to provide expected dividend, this may affect the return of the Fund.
- (08) For investing in Pre-Public Offer Placement securities i.e. in unlisted equity securities by the Fund may involve liquidity risk.
- (09) Uncertainties like political and social instability may affect the value of the Fund's Assets.
- (10) Government policy and tax laws may change, affecting the return on investment in Units.
- (11) Adverse effect of the economic crisis of the international community on the Capital Market of Bangladesh may affect the performance of the Fund.
- (12) Adverse natural climatic condition may hamper the performance of the Fund.

## 5.2 Expected Market Performance of the Fund

- (01) As the capital market index is comparatively low now, the Fund should be able to construct portfolio at a relatively cheaper cost base.
- (02) It is expected that demand of the Fund's units shall always rule over supply.
- (03) Image of ICB, being the holding company of the ICB AMCL and the Trustee of the Fund for successful guardianship of 10 (ten) close-end and 5 (five) open-end Mutual Fund may motivate investors to invest in this Fund before enactment of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.
- (04) Successful launching and subsequent satisfactory performance of 15 (fifteen) Mutual Funds managed by the ICB AMCL may attract the Investors to invest in this Fund.

## 5.3 Who to invest and how much to invest

Persons who do not have tolerance of bearing risk and know nothing about the functioning of the capital market need not apply for the units of the Fund. Considering other factors like the investment opportunities available in the market, return expectation, income level and consumption pattern, one may put a part of his/her total portfolio into the Fund.

## CHAPTER-6

### FORMATION, MANAGEMENT AND ADMINISTRATION

#### 6.1 Sponsor of the Fund

Agrani Bank Limited, a leading commercial bank with 925 outlets strategically located in almost all the commercial areas throughout Bangladesh, overseas Exchange Houses and hundreds of overseas Correspondents, came into being as a Public Limited Company on 17 May 2007 with a view to take over the business, assets, liabilities, rights and obligations of the Agrani Bank which emerged as a nationalized commercial bank in 1972 immediately after the emergence of Bangladesh as an independent state. Agrani Bank Limited started functioning as a going concern basis through a Vendors Agreement signed between the ministry of finance, Government of the People's Republic of Bangladesh on behalf of the former Agrani Bank and the Board of Directors of Agrani Bank Limited on 15 November 2007 with retrospective effect from 01 July 2007. The Bank has 11 Circle offices, 34 Divisions in head office, 62 zonal offices and 925 branches including 27 corporate and 40 AD (authorized dealer) branches. The Bank, however, has six wholly-owned subsidiary Companies named Agrani Exchange House (Pvt.) Ltd. In Singapore, Agrani Remittance House SDN. BHD in Malaysia, Agrani Exchange House Company (Australia) Pvt. Ltd, Agrani Exchange House, Canada Inc. Agrani Equity & Investment Limited and Agrani SME Financing Company Limited. The authorized capital of the Bank is Tk. 2,500.00 crore and paid up capital is Tk. 2,072.29 crore respectively as on 31 December 2014.

#### 6.2 Trustee & Custodian of the Fund

In order to ensure maximum trust and confidence of the investors, supervisory bodies and the persons concerned towards the Fund, the **Investment Corporation of Bangladesh (ICB)** would act as the Trustee and Custodian of the Fund whereas ICB AMCL shall act as the Fund Manager of the said mutual fund.

The ICB was established on 01 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 provides 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. The main objectives of ICB are to encourage and broaden the base of investments, develop the capital market, mobilize savings, promote and establish subsidiary companies for business expansion and provide for matters ancillary thereto etc. At present the corporation is being operated under the “Investment Corporation of Bangladesh act, 2014.”

Over the years, the activities of ICB have grown manifold, particularly in Merchant Banking, Mutual Funds operations and Lease Financing activities. ICB pioneered the Mutual Fund Industry in Bangladesh.

The country's first mutual fund, the “First ICB Mutual Fund” was launched on 25 April 1980. Since then ICB had floated 8 (eight) mutual funds. ICB also manages the country's first open-end mutual fund. It has also the single largest stockbroker and dealer in DSE and CSE. Due to continuous

price falling in the FY 2010-11, an initiative has taken to form an open-end mutual fund of Tk. 5,000.00 crore called “Bangladesh Fund” by ICB to regain investor’s reliance through increasing flow of liquidity for a stable and dynamic stock market. The Bangladesh Fund is the largest open-end mutual fund ever in the history of our country.

During the FY 2014-15, the total trading of ICB and its subsidiary companies in both the bourses was Tk. 11,980.42 crore which was Tk. 13,500.90 crore in the previous year. ICB and its subsidiary companies contribution to total turnover of Tk. 1,21,999.95 crore of both the bourses was 9.82% which was 11.00% in the previous year. Besides, ICB has acted as Trustee to the debenture issues of 17 companies involving Tk. 184.15 crore and issues of 19 bonds of 16 companies involving Tk. 2,369.36 crore up to June 30 2015. ICB also undertook the responsibilities of trustee as well as custodian to 26 close-end mutual funds of Tk. 2,525.75 crore and 6 open-end mutual funds with capital of Tk. 180.00 crore up to June 30, 2015.

Over the years, ICB independently and confidently managed a lot of multidimensional, progressive as well as impressive investment with utmost professionalism and proved its efficiency of expanding its business lines, Since ICB is a multidimensional Investment Corporation, it has introduced mark to market system of accounting for wailing investments in marketable securities which ultimately concern really about the capital market and economic development of the country. The Corporation has long and proven experience in portfolio management advisory function, particularly in buying and selling of shares, corporate restructuring and engineering, off loading of government shares and hosts of other merchant bank related activities for the benefit of its clients. To maintain efficiency and stability in stock market, ICB always play important role as a market maker. ICB has enhanced its efforts to persuade the listed companies to comply with the corporate governance guidelines circulated by the BSEC. Besides this, ICB helped to protect small investors’ interests and to increase the stability in the capital market by implementation of various steps taken by BSEC.

### **6.3 Asset Manager of the Fund**

ICB Asset Management Company Limited, a subsidiary of ICB shall act as the Asset Manager of the Fund. ICB AMCL was created as part of the restructuring program of ICB under Capital Market Development Program (CMDP) initiated by the Government of the Peoples Republic of Bangladesh and Asian Development Bank (ADB). The Company was incorporated as a public limited company under the কম্পানি আইন, ১৯৯৪ with the Registrar of Joint Stock Companies & Firms on 05 December 2000. Registration of the Company with the BSEC was obtained on 14 October 2001. The Company has also obtained necessary Government Gazette Notification on 01 July 2002 to carry out the mutual fund operations.

The present authorized capital of the Company is Tk. 100.00 crore and paid-up capital is Tk. 39.37 crore. 13 (thirteen) years of its operations the Company has been successfully managed 21 (twenty one) mutual funds including 8 (eight) converted of the funds where Asset Under Management (AUM) is Tk.3,013.27 crore which is 30.11% of total AUM in the mutual fund market.

As per relevant provision of the ICB Ordinance, Corporation shall hold all or majority shares and may review business objectives, supervise and control its performance. The CEO and other key personnel have been deputed to the company from ICB. An independent Board consisting 50% directors from ICB and the rest from private sector has been created.

Brief profiles of the directors and key personnel of the company are as under:

**Professor Dr. Mojib Uddin Ahmed** has been appointed as the Chairman of ICB Asset Management Company Limited (ICB AMCL) on 25 April 2017. He is also the Chairman of Investment Corporation of Bangladesh (ICB). He is the professor of Accounting & Finance in the Department of Tourism and Hospitality Management of the University of Dhaka. Mr. Mojib Uddin Ahmed completed his Masters in Accountancy from the University of Glasgow, Scotland, UK and Masters of Accounting Science from the University of Illinois, USA. He obtained Ph.D. in Finance from the Old Dominion University, Virginia, USA. The honorable professor started his teaching career in 1983 as a Lecturer of the Department of Accounting in the University of Dhaka. He has been teaching different courses at home and abroad including USA as Visiting Faculty. He has also participated in many international conferences in USA, Canada, Hong Kong, Spain and Thailand over the years. In the Faculty of Business Studies of Dhaka University, he is the only extraordinary person who achieved both Commonwealth and Fulbright Scholarships. Besides, he was awarded Dean's Research Awards by the University of Dhaka in 2003 and 2004 for remarkable academic contributions. Over thirty years' teaching career, he was instrumental in achieving self complacency in teaching profession with strong focus in the areas of Financial Accounting, Corporate Finance, Investment Management, Portfolio & Securities Analysis, Cost and Management Accounting. He is a keen researcher; many of his distinguished academic research articles related to Secondary Capital Market and Corporate Finance have already been published in various renowned national and international journals.

**Dr. Mijanur Rahman** is a Professor of the University of Dhaka and at present holding the position of the Vice Chancellor of Jagannath University. He did his B.Com (Hons) and M.Com degree in Marketing from the University of Dhaka and obtained his Ph.D. degree in Business Administration from Aligarh Muslim University, India. He has completed different training in home and abroad. He has various publications and attended national and international workshop/seminar.

**Ms. Dipika Bhattacharjee** the Deputy General Manager of Investment Corporation of Bangladesh as well as the Company Secretary. She joined ICB in 1987 as a Senior Officer. She completed her Graduation and Post Graduation degrees in the Discipline of Finance from the University of Dhaka.

**Dr. Md. Hamid Ullah Bhuiyan** is a Professor of the University of Dhaka and at present serving in the Department of Accounting & Information Systems, Faculty of Business Studies, University of Dhaka. He did his B.Com (Hons) and M.Com degree in Accounting from the University of Dhaka and obtained his PhD degree from La Trobe University, Australia. He has different administrative and professional experience. He has received many awards from home and abroad. He has also various publications.

**Dr. Md. Akram Hossain** is a Professor of the University of Dhaka and at present serving in the Department of Management Information Systems (MIS), Faculty of Business Studies, University of Dhaka. He did his Bachelor of Business Administration (BBA) degree major in Management and Masters of Business Administration (MBA) degree major in Management Information Systems (MIS) from the University of Dhaka and obtained his PhD degree from the University of Dhaka & The University of York, UK. He has received many awards from home and abroad. He has different administrative and professional experience. He has also various publications.

**Mr. Md. Golam Rabbani** has been appointed as the Chief Executive Officer (Add. charge) of ICB Asset Management Company Limited (ICB AMCL) on 31 May 2017 by the Govt. of the People's Republic of Bangladesh. He is a Deputy General Manager of Investment Corporation of Bangladesh (ICB). He joined in ICB as a senior officer in 1989. He completed his B.Sc (Honors) & M.Sc degrees in Economics from Jahangirnagar University. Mr. Rabbani during his tenure in ICB served in different Departments, Divisions and Branches including Law, Documentation, Special

Fund Management Unit, Public Relations, Investors' Department and contributed a lot for the Corporation as well as to the Investors. Mr. Rabbani during his long service in ICB took part in different training programs among them Investment Banking, Venture Capital, Laws, Rules and Regulations, Land Management and Documentation, Handling of Disciplinary Cases, Public Relations etc. He also took part in different computer training programs. He is the ICB nominated Director of ICB financed projects like Indo-Bangla Pharmaceuticals Ltd., Nazer Foods & Beverage Ltd., Project Ehsan Paper Products (pvt.) Ltd., M.K. Auto Industries Ltd. etc. He traveled in Japan, Singapore & India several times.

Senior executives of the Company are highly experienced in the relevant fields with excellent academic background in Finance & Banking, Economics, Accounting, Management, Marketing and Computer Science etc. Most of them have undergone local training, particularly in capital market related subjects. Fund Management System of the Company is highly automated.

#### **6.4 Investment Committee (IC)**

The Investment Committee (IC) approved by the Board of Directors (BOD) of ICB AMCL is responsible for achieving the objectives of the undertaken funds by understanding the relationship between the fund disbursement and the investment policy as instructed by the BSEC, Trust Deed, সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, & other rules and regulations as imposed by competent authorities. The IC shall perform the function as declared in investment policy and guideline. Along with making decisions for the best asset allocation method, IC is liable for monitoring and managing the portfolio for compliance with the fund's investment guiding principles. IC of AMCL is consisted with the following:

1. Deputy Chief Executive Officer-1 (DCEO-1)
2. Deputy Chief Executive Officer-2 (DCEO-2)
3. Head of Accounts Department
4. Head of Securities Analysis Department
5. Head of Compliance Department
6. Head of Audit Department

ICB AMCL shall disclose in its own website about the function of IC as approved by the BOD.

#### **6.5 Auditors**

Ahmed Mashuque & Co., Chartered Accountants has been appointed as the Auditor of the Fund for the first year. They are one of the reputed audit firms of the country. The Trustee shall appoint subsequent auditors.

## **CHAPTER-7**

### **FINANCIAL CHARGES**

#### **7.1 Limitation of Expenses**

- (01) The initial issue expenses in respect of the Fund shall not exceed 5% of the Fund to be raised, the details of which are provided in this prospectus.
- (02) The total expenses charged to the Fund, except the amortization of initial issue expenses and including transaction cost in the form of stock brokerage against buy & sale of securities forming a part of acquisition or disposal cost of such securities, transaction fees payable to the Custodian against acquisition or disposal of securities, listing fees payable to the Stock Exchanges, the annual registration fees payable to the Commission, CDBL charges, audit fees, commission to Selling Agent(s), cost for publication of reports & periodical bank charge etc, shall not exceed 4% of the weekly average net assets outstanding during any accounting year or as may be determined by the বিধিমালা.

#### **7.2 Fees and Expenses**

The Fund shall pay the fees of Asset Management Company, the Trustee and the Custodian together with any other fees, commissions and expenses as may arise from time to time. The Fund shall bear its own costs and expenses incurred/accrued in connection with its formation, promotion, registration, public offering, listing together with certain other costs and expenses incurred in its operation, including without limitation of expenses of legal & consulting services, auditing, other professional fees and expenses, brokerage, share/debenture registration expenses, guarantee or underwriting commission and fees due to the BSEC. The Fund shall also bear all the other incidental expenses including printing, publication and stationery relating to its smooth & fair operation.

Keeping in mind, the Fund size of Tk. 100,00,00,000.00 (one hundred crore) only, ICB AMCL has estimated the normal annual operating expenses of the Fund, which shall not exceed 4% of the average NAV of the Fund. If the Asset Manager may appoint any Selling Agent for the Fund, after that the above-mentioned highest limit of expenses may not be violated. However, there may be variation in the actual operating expenses of the Fund. Major expenses of the Fund are detailed as follows:

## 7.2.1 Issue and Formation Expenses

Issue and formation expenses are estimated to be not over 5% of the collected amount of the Fund. The expenses shall be amortized within 10 (ten) years on a straight-line method. The estimated expenses for the issue and formation of the Fund are presented below with the assumption of Taka 100,00,00,000 (One hundred crore) to be collected:

SI	Particulars	percentage	Total (Tk.)	Sub-total/Basis	Description	Received by
1	Formation Fee Payable to AMC	1.00%	1,00,00,000	Set Fee	Formation Fee to AMC on Collected Fund of Approved Fund Size	AMC
2	Legal Expenses (Listing Fees, Registration Fees etc.)	1.05%	1,05,10,000			BSEC, DSE, CSE, CDBL, Sub-register, etc.
				40,00,000.00	As BSEC Registration Fee *	
				10,000.00	BSEC Application Fee	
				32,00,000.00	Listing Fees for DSE & CSE (Up to 10 Crore, @0.25% and if > 10 Crore @ 0.15% of size of fund)	
				4,00,000.00	DSE & CSE Data Transmission Fee	
				1,00,000.00	DSE & CSE (Prospectus Scrutiny)	
				3,50,000.00	CDBL Fees	
				15,00,000.00	Legal Fees	
				2,00,000.00	Trust deed Registration Fees	
				7,50,000.00	Trustee Fee (0.075% of Fund size)	
3	Printing & IPO subscription expenses	0.54%	54,00,000			Press, Newspaper, BUET, etc.
				30,00,000.00	Publication of Abridged Version of Prospectus and IPO notification in Daily Newspapers	
				10,00,000.00	Printing of Prospectus	
				10,00,000.00	Road Show for IPO	
				3,00,000.00	Lottery conducting expenses & BUET fee	
				1,00,000.00	Courier & distribution expenses	
4	Other expenses	0.15%	15,00,000			Post Issue Manager, etc.
				5,00,000.00	Post Issue Manager/Data entry, data processing and other related job	
				10,00,000.00	Others / Misc.	
	<b>Total</b>	<b>2.74%</b>	<b>2,74,10,000.00</b>			

\* Fund will apply to BSEC for adjustment of the additional payment (Tk. 20,00,000.00) as registration fee.

## 7.2.2 Management Fee

The Asset Management Company shall be entitled to charge the Fund annual management fees for Investment Management at the following rates:

- @ 2.50% per annum of the weekly average Net Asset Value (NAV) of the Fund up to Tk. 5.00 (five) crore;
- @ 2.00% per annum for additional amount of the weekly average NAV of the Fund over Tk. 5.00 (five) crore up to Tk. 25.00 (twenty five) crore;
- @ 1.50% per annum for additional amount of the weekly average NAV of the Fund over Tk. 25.00 (twenty five) crore up to Tk 50.00 (fifty) crore; and
- @ 1.00% per annum for additional amount of the weekly average NAV of the Fund over Tk. 50.00 (fifty) crore.

The Above accrued fees shall be paid semi-annually by the Fund.

### **7.2.3 Trustee Fee**

The Fund shall pay an annual trustee fee @ 0.075% of the net asset value (NAV) of the fund payable semi-annually during the life of the Fund.

### **7.2.4 Custodian Fee**

The Fund shall pay the Custodian i.e. ICB for safekeeping fee @ 0.075% of balance (dematerialized and non-dematerialized) securities held by the fund calculated on the basis of average month end value per annum.

### **7.2.5 Fund Registration and Annual Fee**

The Fund has paid 0.20% of the Fund size i.e. Tk. 20,00,000.00 (twenty lac) only to the BSEC as registration fee. In addition to that the Fund shall have to pay @ 0.10% of the Fund size per annum as annual fee in terms of the বিধিমালা.

### **7.2.6 CDBL Fee**

For listing with the CDBL there are both initial and recurring expenses. An amount of Tk. 5,00,000.00 (five lac) only as security deposit shall be kept with the CDBL without interest during the whole life of the Fund, while an IPO fee of Tk. 2,50,000.00 (two lac fifty thousand) only and documentation fee of Tk. 2,500.00 (two thousand five hundred) only shall be paid during the public subscription. Depository connection fee is Tk. 6,000.00 (six thousand) only per annum. Annual fee for the Fund shall be Tk. 1,00,000.00 (one lac) only.

### **7.2.7 Listing Fee**

The usual listing fees, annual renewal fees and other charges are to be paid by the Fund to the Stock Exchanges.

### **7.2.8 Audit Fee**

The audit fee shall be Tk. 25,000.00 (twenty five thousand) only for the first year and Trustee shall fix fees for subsequent years.

### **7.2.9 Brokerage Fee**

The Fund will be pay to the stock broker maximum commission of 0.30% of the total amount of transaction and any other associated costs.

### **7.2.10 Other Expenses**

As per the terms of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, and trust deed, AMC may charge the expenses for fund lunching. Those Expenses are reimbursable to the AMC.

## CHAPTER-8

### CAPITAL STRUCTURE, TAX STATUS AND RIGHTS OF UNIT HOLDERS

#### 8.1 Issue of units

The paid up capital of the Fund shall be Tk. 100,00,00,000.00 (one hundred crore) only divided into 10,00,00,000 units of Tk. 10.00 (ten) each. The total distribution of units shall be as follows:

Subscribers	No of units	Face Value (Tk.)	Amount (Tk.)	Remarks
Sponsor	5,00,00,000	10.00	50,00,00,000	Subscribed
<b>Under Public Offering (PO)</b>				
Mutual Funds	50,00,000	10.00	5,00,00,000	Yet to be subscribed
Other Eligible investors	2,00,00,000	10.00	20,00,00,000	
Non-Resident Bangladeshis (NRB)	50,00,000	10.00	5,00,00,000	
General public	2,00,00,000	10.00	20,00,00,000	
<b>Total</b>	<b>10,00,00,000</b>		<b>100,00,00,000</b>	

#### 8.2 Subscription from Sponsor

Agrani Bank Limited, the Sponsor, has already subscribed Tk. 50,00,00,000.00 (fifty crore) only for 5,00,00,000 (five crore) units of Tk. 10.00 (ten) each at par as per বিধি ৯ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১. Unit Certificates for 100% of the Sponsor's contribution amounting to Tk. 50,00,00,000 (Fifty Crore) only shall be subject to a lock-in period of 1 (one) year from the date of listing in the Stock Exchange(s) and 1/10th of the Sponsor's contribution amounting to Tk. 5,00,00,000 (Five Crore) only shall be subject to a lock-in period of full time of the Fund.

#### 8.3 Public Offer (PO)

10% of the Public Offer i.e. 50,00,000 (fifty lac) units of Tk. 10.00 (ten) each totaling Tk. 5,00,00,000.00 (five crore) only are being reserved for Mutual Funds, 40% of the Public Offer i.e. 2,00,00,000 (two crore) units of Tk. 10.00 (ten) each totaling Tk. 20,00,00,000.00 (twenty crore) only are being offered to the Other Eligible investors (EIs), 10% of the Public Offer i.e. 50,00,000 (fifty lac) units of Tk. 10.00 (ten) each totaling Tk. 5,00,00,000.00 (five crore) only are being offered to the Non-Resident Bangladeshis (NRBs), 40% of the Public Offer i.e. 2,00,00,000 (twenty crore) units of Tk. 10.00 (ten) each totaling Tk. 20,00,00,000.00 (twenty crore) only are being offered to the General public for subscription in cash in full on application. The distribution of Public Offer is as follows:

Category	Particulars	No of units	Face Value (Tk.)	Amount (Tk.)
Eligible investors (EIs)	10% of PO i.e. 50,00,000 units shall be reserved for Mutual Funds	50,00,000	10.00	5,00,00,000
	40% of PO i.e. 2,00,00,000 units shall be reserved for other Eligible investors	2,00,00,000	10.00	20,00,00,000
General public	10% of PO i.e. 50,00,000 units shall be reserved for Non-Resident Bangladeshis (NRB)	50,00,000	10.00	5,00,00,000
	40% of PO i.e. 2,00,00,000 units shall be reserved for General Public (ক্ষতিগ্রহ ক্ষুদ্র বিনিয়োগকারী)	2,00,00,000	10.00	20,00,00,000
<b>Total</b>		<b>5,00,00,000</b>		<b>50,00,00,000</b>

#### 8.4 Income Tax Benefit

The investment tax benefits of the fund would always comply with country's Finance Act and government tax policies. However, currently the following benefits are available:

- (a) The income of the Fund is also exempted from tax.
- (b) Income from a mutual fund or a unit fund up to TK. 25,000.00 (Taka Twenty Five Thousand) only is exempted from tax under Income Tax Ordinance, 1984; 6<sup>th</sup> Schedule, PART A [22A]

- (c) Investment in the Fund provides the same tax rebate as investment qualifying under Section 44 (2) of the Income Tax Ordinance, 1984 amended in 2016, amount of allowable investment is actual investment or 25% of total taxable income or Tk. 1,50,00,000, whichever is lower.

Tax rebate rate is from 15% to 10% as per following schedule:

Total Income	Rate of Tax Rebate
Up to Tk. 10,00,000	15% of eligible amount
From Tk. 10,00,001 to Tk. 30,00,000	a) Tk. 2,50,000 of eligible amount at the rate of 15% b) Remaining of the eligible amount at 12%
Above Tk. 30,00,000	a) Tk. 2,50,000 of eligible amount at the rate of 15% b) Next Tk. 5,00,000 of eligible amount at the rate of 12% c) Remaining of the eligible amount at 10%

### Example:

An individual's total annual income is Tk. 50,00,000 in a year may have allowed investment for tax rebate Tk. 12,50,000 (Tk. 50,00,000 multiplied by 25% allowed).

As this amount Tk. 12,50,000 is lower than Tk. 1,50,00,000 the person's eligible amount for tax rebate is Tk. 12,50,000.

The individual will have total tax rebate calculated as under:

1 <sup>st</sup> Tk. 2,50,000 of eligible amount at the rate of 15%	=Tk. 37,500
Next Tk. 5,00,000 of eligible amount at the rate of 12%	=Tk. 60,000
Remaining of eligible amount i.e. Next Tk. 5,00,000 at the rate of 10%	=Tk. 50,000
<b>Total Tax Rebate</b>	<b>Tk. 1,47,500</b>

This investor can reduce tax liability of Tk. 1,47,500 by investing in this fund.

**This is a simple illustration. The amount can vary and will depend on individual circumstances. Also, please note that the tax rebates may change as per Government's decision in any year. Investors are advised to consult with tax advisor, if required.**

## 8.5 Rights of the unit holders

- (a) **Dividend:** All the unit holders have equal but proportionate right in respect of dividend and entitlements. The units carry rights to dividend and entitlements as explained in the 'Dividend Policy' of the Fund, set forth in Chapter-4.
- (b) **Transfer of units:** Units are transferable. The transfer shall be made by the CDBL under electronic settlement process.
- (c) **Voting Right:** All the unit holders shall have usual voting rights. Voting right can be exercised in person or by proxy in a meeting held in connection with any proposal to amend the characteristics of the Fund or any other agenda of meeting called by the Trustee in the circumstances mentioned in the Trust Deed or the বিধিমালা. In case of show of hands, every unit holder present in person or/and by proxy shall have only one vote and on a poll, every unit holder present in person and/or by a proxy shall have one vote for every unit of which he/she is the holder.

- (d) **Encashment:** The units shall be listed with DSE and CSE. So investment in this Fund shall easily be encashables.

## 8.6 Beneficial Interest

- (a) **Ownership:** The unit holders shall preserve only the beneficial interest in the trust properties on pro rata basis of their ownership of the Fund.
- (b) **Periodic Information:** All the unit holders of the Fund shall have the right to receive the Annual Report & Audited Accounts of the Fund. Moreover, NAV of the Fund be informed to the unit holders on weekly basis or as determined by the Commission from time to time through DSE/CSE and newspaper(s).
- (c) **Accounts and Information:** The Fund's financial year shall be closed on 30<sup>th</sup> June every year. Annual report or major head of Income & Expenditure A/C and Balance Sheet in line with schedule VI of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ shall be published within 45 (forty five) days from the closure of each accounting year. Furthermore, the NAV, NAV per unit, any suspension or alteration of the calculation of NAV of the Fund shall be published / notified to the DSE and CSE by the Asset Management Company.

## **CHAPTER- 9**

### **REDEMPTION / WINDING UP AND CONVERSION POLICY**

#### **9.1 Procedure of Winding up**

The unit holders of the Fund shall be fully redeemed at maturity unless otherwise determined by the unit holders under the বিধিমালা. The policies pertaining to redemption are described below:

- (01) The Fund shall be wound up on the expiry of the **ten years** tenure of the Fund from the date of first listing.
- (02) The Fund may also be wound up on the happening of any event, which, in the opinion of the Trustee with approval from the Commission, requires the Fund to be wound up.
- (03) The Fund may also be wound up if 75% of the unit holders of the Fund pass a resolution that the Fund should be wound up.
- (04) The Fund may also be wound up if the Commission so directs in the interest of the unit-holders.
- (05) Where the Fund is to be wound up in pursuance to the above, the Trustee and the Asset Management Company shall give simultaneously separate notice of the circumstances leading to the winding up of the Fund to the Commission and the Stock Exchange(s) and if winding up is permitted by the Commission, shall publish in two daily newspapers including a Bengali newspaper having circulation all over Bangladesh and posted on the website of the Asset Management Company.

#### **9.2 Manner of Winding up and Redemption**

- (01) The Trustee shall call a meeting of the unit holders within the period stipulated by the বিধিমালা from the date of notice to consider and pass necessary resolutions by three-fourth majority of the unit holders present and vote at the meeting for authorizing the Trustee and/or AMC or the person authorized to take steps for winding up of the Fund. If it fails to have three-fourth majority mandate, the Commission shall have the power to supersede the mandate if situation demands such.
- (02) The Trustee shall dispose off the assets of the Fund at the best interest of the unit holders, provided that the proceeds of sale made in pursuance of the বিধিমালা, shall in the first instance be utilized towards discharge of such liabilities as are properly due under the Fund and after making appropriate provision for meeting the expenses connected with such winding up, the balance shall be paid to the unit holders in proportion to their respective interest in the assets of the Fund as on the date when the decision for winding up was taken.
- (03) Within the period stipulated by the বিধিমালা from the completion of the winding up, the Trustee shall forward to the Commission and the unit holders a report on the winding up containing particulars such as circumstances leading to the winding up, the steps taken for disposal of assets of the Fund before winding up, expenses of winding up, net assets available for distribution to the unit holders and a certificate from the Auditor of the Fund.

### **9.3 Effect of Winding up**

On and from the date of the notice of the winding up of the Fund, the Trustee or the Asset Management Company as the case may be, shall:

- a. Cease to carry on any business activities of the Fund;
- b. Cease to create and cancel units of the Fund;
- c. Cease to issue and redeem units of the Fund.

### **9.4 Conversion of the Fund**

The Trustee shall call a meeting to the unit holders of the Fund to consider and pass necessary resolutions by three-fourth majority of the unit holders by value of holding present and voting at the meeting for authorizing the Trustee to take steps for conversion of the Fund subject to approval of the Commission.

## CHAPTER-10

### CONDITIONS FOR PUBLIC OFFER, ALLOTMENT, SUBSCRIPTION AND REFUND OF UNITS

#### Disclosure in respect of issuance of security demat form

As per provisions of the ডিপজিটরি আইন, ১৯৯৯ and regulations made there under, units of the Fund shall be issued in dematerialized form, only and, for this purpose, ICB AMCL First Agrani Bank Mutual Fund has signed an agreement with the CDBL. Therefore, all transfers/transmissions, splitting or conversions shall take place in the CDBL system.

#### 10.1 Issue of Units

Total Issue	:	10,00,00,000 units of Tk. 10.00 each at par for Tk. 100.00 crore
A. Sponsor's Contribution	:	5,00,00,000 units of Tk. 10.00 each at par for Tk. 50.00 crore
B. Under Public Offering (PO)		
Mutual Funds	:	50,00,000 units of Tk. 10.00 each at par for Tk. 5.00 crore
Other Eligible investors (EIs)	:	2,00,00,000 units of Tk. 10.00 each at par for Tk. 20.00 crore
Non-Resident Bangladeshis	:	50,00,000 units of Tk. 10.00 each at par for Tk. 5.00 crore
General public	:	2,00,00,000 units of Tk. 10.00 each at par for Tk. 20.00 crore

#### 10.2 Minimum subscription for the issue

The minimum subscription of the issue shall be determined as per বিধি ৪৮ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১. The target amount to be raised in respect of the Fund is Tk.100,00,00,000.00 (one hundred crore) only including Sponsor's portion. The Trustee & Asset Management Company shall be liable to refund the entire amount collected if subscription stands below minimum targeted amount prescribed in the বিধিমালা.

#### 10.3 Conditions of Allotment

- (01) 5,00,00,000 (five crore) units of Tk. 10.00 (ten) each shall be allotted among the Mutual Funds, Other Eligible Investors, Non-Resident Bangladeshis (NRB's), Affected Small Investors (ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী) and Others General Public.
- (02) As per provision of the ডিপজিটরি আইন, ১৯৯৯ and regulations made there under Mutual Fund units shall only be issued in dematerialized condition.

#### PUBLIC OFFER Distribution System

- a) Out of public offering **Tk. 5,00,00,000 (Five Crore)** only shall be reserved for Mutual Funds, **Tk. 20,00,00,000 (Twenty Crore)** only shall be reserved for the Eligible Investors (EIs), **Tk. 5,00,00,000 (five Crore)** only for Non-Resident Bangladeshis (NRBs) and the remaining units of **Tk. 20,00,00,000 (Twenty Crore)** only shall be reserved for subscription by other General Public including ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী;

- b) All securities/units stated in para (a) shall be offered for subscription and subsequent allotment by the Asset Management Company subject to any restriction which may be imposed from time to time by the Bangladesh Securities and Exchange Commission;
- c) In case of **over-subscription in all of the 4 (four) subcategories** mentioned in para (a), the Asset Management Company shall conduct an open lottery of all the applications received under each subcategory **separately** in accordance with the BSEC's instructions;
- d) **20% of the securities reserved for other general public shall be reserved for ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী. In case of under-subscription under any of sub categories of Eligible Investors category or General Public category, the unsubscribed portion shall be added to other sub category of the same category. And even after adding the unsubscribed portion of the sub-category with other sub-category under the same category, if the category is still remain under-subscribed, the undersubscribed portion shall be fulfilled by oversubscribed portion (if any) of other category. In case of over subscription in the general public category, the Asset Management Company shall conduct an open lottery. In case of over subscription in the eligible investor's category, securities shall be allotted on pro-rata basis;**
- e) The lottery as stated in para (c) and (d) shall be conducted in the presence of authorized representatives of the BSEC, Stock Exchange(s) concerned, Sponsor, Asset Management Company, Trustee and the applicants.
- (03) All the applicants shall first be treated as applied for one minimum market lot of **500 (five hundred) units worth Taka 5,000/- (Taka five thousand) only**. If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. In case of oversubscription under any of the categories mentioned hereinabove, the Asset Manager shall conduct an open lottery of all the applications received under each category separately in presence of representatives from the stock exchange(s), Sponsor, Trustee, Asset Manager and applicants, if there be any.
- (04) In case of any difficulty in respect to implement the condition of offer & allotment of units, the allotment of units shall be made in such a manner as determined by the BSEC.
- (05) The Fund reserves the right to accept or reject any application in whole or in part.
- (06) The AMC shall furnish the List of Allotees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within **24 (Twenty Four) hours** of allotment.
- (07) **The applicant shall provide the same bank account number in the application form as it is in the Beneficiary Owners Account of the applicant. Otherwise the application will considered invalid and the Commission will forfeit 15% (fifteen) of their subscription money too.**
- (08) In case of joint application all correspondence shall be made with the person whose name appears first.

- (09) After allotment the Asset Management Company shall have to transfer the units to the allottees BO account, which has mentioned in the application form.

#### 10.4 Application for Subscription

- (1) Application for units may be made for a minimum lot of **500 (five hundred) units** to the value of **Tk. 5,000.00 (five thousand) only**. Prospectus may be obtained from the registered office of the Asset Management Company and Stock Exchanges. Application/buy instruction must not be for less than **500** units and must be for a multiple of **500 (five hundred) units**. Any Application not meeting the criterion shall not be considered for allotment purpose.
- (2) An applicant for public offer of securities shall submit application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. subscription closing date).
- (3) The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant.
- (4) Application/buy instruction must be in full name of individuals or limited companies or trusts or societies and not in the name of firms, minors or persons of unsound mind. Application/buy instruction from insurance, financial and market intermediary companies and limited companies must be accompanied by Memorandum and Articles of Association.
- (5) Application must not be for less than 500 units and must be for multiples of 500 units. Any Application not meeting the above criteria will not be considered for allotment purpose.
- (6) Joint application form for more than two persons will not be accepted. In the case of a joint application each party must sign the application form.
- (7) **An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
- (8) **Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of the application money and/or forfeiture of unit before or after issuance of the same by the Asset Manager. The said forfeited application money or unit will be deposited in account of the Bangladesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.**
- (9) A Public Offer (PO) applicant shall ensure his/her BO account remains operational till the process of PO (including securities allotment or refund of PO application/buy instruction) is completed. If any BO account mentioned in the application/buy instruction is found closed, the allotted security may be forfeited by BSEC.

- (10) Bangladeshi Nationals (including non-resident Bangladeshi Nationals working abroad) and Foreign Nationals shall be entitled to apply for units.
- (11) Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Mutual Fund for an amount equivalent to the application money, with their application to concerned Stockbroker/Merchant Banker. The draft (FDD) shall be issued by the Bank where the applicant maintains NITA/Foreign Currency account debiting the same account. No banker shall issue more than two drafts from any NITA/Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.
- (12) The bank draft (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.
- (13) The Public Offer subscription money collected from successful applicants (other than NRB applicants) by the Stockbrokers/Merchant Bankers will be remitted to the “**ICB AMCL FIRST AGRANI BANK MUTUAL FUND**” Escrow BDT A/C No. **1505202013178001 with BRAC Bank Limited, Motijheel Branch, Dhaka, Bangladesh** for this purpose.
- (14) The Public Offer subscription money collected from successful NRB applicants in US Dollar or UK Pound Sterling or EURO shall be deposited to three FC accounts opened by the Asset Management Company for Public Offer purpose are as follows:

Currency	Account No.	Bank & Branch
Bangladeshi Taka	BDT # 1505202013178001	Brac Bank Limited, Motijheel Branch
US Dollar	USD # 1505202013178002	Brac Bank Limited, Motijheel Branch
UK Pound Sterling	GBP # 1505202013178003	Brac Bank Limited, Motijheel Branch
Euro	EURO # 1505202013178004	Brac Bank Limited, Motijheel Branch

১৫. তালিকাভুক্ত ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারীগণ সকল পাবলিক ইস্যুতে একক অথবা ষ্ট্রীথ হিসাব যে কোনটি অথবা উভয়টি হতে সংরক্ষিত ২০% কোটায় আবেদন করতে পারবেন। তবে তারা ইচ্ছা করলে সংরক্ষিত ২০% কোটায় আবেদন না করে সাধারণ বিনিয়োগকারীদের জন্য নির্ধারিত কোটায় আবেদন করতে পারবেন।

**APPLICATIONS NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS ARE LIABLE TO BE REJECTED.**

## 10.5 Subscription by and Refund to Non-Resident Bangladeshi (NRB)

- (1) Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to concerned Stockbroker/Merchant Banker. The draft (FDD) shall be issued by the Bank where the applicant maintains NITA/Foreign Currency account debiting the same account. No banker shall issue more than two drafts from any NITA/Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.
- (2) The bank draft (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.
- (3) Stockbrokers/Merchant Bankers shall send the bank drafts (FDD) submitted by successful NRB and Foreign applicants to the Stock Exchange and return the drafts submitted by unsuccessful applicants.
- (4) Stockbrokers/Merchant Bankers shall send the drafts (FDD) submitted by unsuccessful NRB and Foreign applicants who are subject to penal provisions, to the respective Stock Exchange, along with a list.
- (5) Stock Exchanges shall send the drafts submitted by successful NRB and Foreign applicants and also by unsuccessful NRB and Foreign applicants who are subject to penal provisions, to the Asset Manager.
- (6) In case of drafts (FDD) submitted by successful NRB or Foreign applicant for any amount excess to the value of securities to be allotted or by unsuccessful NRB and Foreign applicants who are subject to penal provisions, refund of the balance amount shall be made by the Asset Manager to the applicant through bank drafts issued in the same currency **within 7 (seven) working days** of receiving the drafts from Stock Exchange(s).

## 10.6 ALLOTMENT

The AMC of mutual Fund reserves the right of accepting any application, either in whole, or in part. Within 02 (two) working days of conducting lottery, the AMC shall issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Stock Exchange in electronic form. On the next working day, Stock Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format. The Stockbrokers/Merchant Bankers shall inform the successful applicants about allotment of securities.

**“All eligible Stock Brokers and Merchant Bankers shall receive the IPO subscription”**

“শেয়ার বাজার বিনিয়োগ ঝুঁকিপূর্ণ, জটিল ও বুদ্ধি বিনিয়োগ করুন।”

## APPLICATION FOR PUBLIC OFFER

Date:

Name of applicant	:																		
Client Code	:																		
BO ID No.	:																		
Category of applicant	:																		
Name of the Company	:																		
Number of Shares/Units	:																		
Total amount in Tk.	:																		
Amount in word	:																		
Mode of Payment	:																		
Cheque/Draft Information	:																		

\_\_\_\_\_  
Signature of Applicant(s)

\_\_\_\_\_  
Signature of Authorized Officer