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# PROSPECTUS

## IFIL ISLAMIC MUTUAL FUND-1

(A Fund managed under Shariah Law)

### Total Issue

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

### Sponsor's Contribution

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

### Pre-IPO Placement

4,00,00,000 units of Tk. 10.00 each at par for Tk. 40.00 crore

### Reserved for Mutual Funds

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

### Non-Resident Bangladeshis

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

### Resident Bangladeshis

4,00,00,000 units of Tk. 10.00 each at par for Tk. 40.00 crore

### Asset Manager

#### ICB Asset Management Company Limited

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

### Sponsor

Islamic Finance & Investment Limited (A public limited company)

### Trustee

Investment Corporation of Bangladesh

### Custodian

Investment Corporation of Bangladesh

### Subscription

Subscription opens: 26-09-2010	Subscription closes: 30-09-2010
For Non-Resident Bangladeshis subscription closes on: 09-10-2010	

### Registered Office

BDBL Bhaban (15<sup>th</sup> Floor), 8, Rajuk Avenue, Dhaka, Bangladesh.  
 Phones: 7160303, 7160306; Fax: 880 02 9570176  
 E-mail: ceoamcl@accesstel.net  
 Web site: www.icbamcl.com.bd

**Date of publication of prospectus: August 17, 2010**

**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**  
BDBL Bhaban  
8, Rajuk Avenue (15<sup>th</sup> Floor)  
Dhaka-1000.
- Sponsor : **Islamic Finance & Investment Limited**  
66, Dilkusha Commercial Area (Ground & 3<sup>rd</sup> Floor)  
Dhaka-1000.
- Trustee : **Investment Corporation of Bangladesh (ICB)**  
BDBL Bhaban  
8, Rajuk Avenue (12-15<sup>th</sup> Floor)  
Dhaka-1000.
- Custodian : **Investment Corporation of Bangladesh (ICB)**  
BDBL Bhaban  
8, Rajuk Avenue (12-15<sup>th</sup> Floor)  
Dhaka-1000.
- Asset Manager/  
Fund Manager : **ICB Asset Management Company Limited (ICB AMCL)**  
BDBL Bhaban (15<sup>th</sup> Floor),  
8, Rajuk Avenue  
Dhaka-1000.
- Shariah Advisors : **Renowned Shariah Scholars of the Country.**
- Auditor : **Khan Wahab Shafiq Rahman & Co.**  
Rupali Bima Bhaban  
7, Rajuk Avenue (5<sup>th</sup> floor),  
Motijheel, Dhaka-1000.
- Banker : **Shahjalal Islami Bank Limited**  
Motijheel Branch  
99, 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	:	সিকিউরিটিজ ও 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.
BO A/C	:	Beneficial Owner Account or Depository Account
Bai' Muajjal	:	Bai Muajjal is a contract wherein the seller earns profit margin on his cost and allows the buyer to pay the price at a future date either in lump sum or in installments.
Bai' Salam	:	Bai Salam means a contract in which advance payment is made for certain tangible goods except gold or silver to be delivered later on a fixed date.
CDBL	:	Central Depository Bangladesh Ltd.
CEO	:	The Chief Executive Officer of the Asset Management Company
Certificate	:	Unit Certificate of the Fund
Commission	:	Securities and Exchange Commission
Companies Act	:	কোম্পানী আইন, ১৯৯৪ (১৯৯৪ সনের ১৮ নং আইন)
CSE	:	Chittagong Stock Exchange Ltd.
DSE	:	Dhaka Stock Exchange Ltd.
FC Account	:	Foreign Currency Account
EPS	:	Earning Per Share
FI	:	Financial Institution
Government	:	The Government of the People's Republic of Bangladesh
Halal	:	Halal means anything that is permitted by the Shariah.
Haram	:	Haram means anything prohibited by the Shariah.
Issue	:	Public Issue
ICB	:	Investment Corporation of Bangladesh
Istisna'a	:	Means a contractual agreement for manufacturing goods & commodities allowing advance or future payment for future delivery
Modaraba	:	It means a form of business contract wherein one party brings capital and the other party provides expertise and management. The profit sharing ratio is determined by mutual agreement. But the loss, if any, is borne only by the owner of the capital unless caused by negligence or violation of terms of the contract by the entrepreneur and in that case the entrepreneur gets nothing for his labor.
Murabaha	:	It is a sale agreement whereby the seller purchases the goods desired by the buyer and sells them at an agreed marked-up price, the payment being settled either in installments or lump sum. The seller undertakes the risk for the goods until they have been delivered to the buyer.
Musharika	:	Musharika means sharing. In other words, Musharika means a relationship established under a contract to carry out some businesses wherein all partners share the profit according to a specific ratio while the loss is shared strictly in proportion to capital contributions.
NBFI	:	Non-Banking Financial Institution
NBR	:	National Board of Revenue

Net Assets	:	The excess of assets over liabilities of the Scheme, computed in the manner specified hereunder
Net Asset Value (NAV)	:	Per unit value of the Scheme arrived at by dividing the net assets by the number of unit outstanding of the Scheme.
NBR	:	National Board of Revenue
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 SEC), 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.
Subscription	:	Application Money
SEC	:	Securities and Exchange Commission
Shariah Advisor	:	Shariah Advisor means an institution or a body, having knowledge of Islamic Law to supervise and monitor the activities of a scheme and to certify that all its activities comply with Shariah Law.
Sponsor	:	Sponsor of the Fund i.e. Islamic Finance and Investment Limited, a financial institution incorporated as a public limited company with the Registrar of Joint Stock Companies and Firms and acts under the license of Bangladesh Bank.
RJSC	:	Registrar of Joint Stock Companies & Firms
Securities	:	Units of the Fund
STD A/C	:	Short Term Deposit Account
The Fund	:	IFIL ISLAMIC MUTUAL FUND-1
Unit	:	One undivided share in the Fund

<b>HIGHLIGHTS</b>		
1.	<b>Name</b>	IFIL ISLAMIC MUTUAL FUND-1
2.	<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.
3.	<b>Face Value</b>	Tk. 10.00 per unit
4.	<b>Market Lot</b>	500 units
5.	<b>Nature</b>	Close-end Mutual Fund of ten years tenure
6.	<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.
7.	<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.
8.	<b>Dividend</b>	Minimum 70% income of the Fund will be distributed as dividend in Bangladeshi Taka only at the end of each accounting year. The Fund shall create a dividend fund equalization reserve to ensure consistency in dividend.
9.	<b>Mode of Distribution</b>	The dividend will be distributed within 45 days from the date of declaration.
10.	<b>Transferability</b>	Units are transferable. The transfer will be made by the CDBL under electronic settlement process.
11.	<b>Encashment</b>	The units will be listed with DSE and CSE. So investment in this Fund will easily be en-cashable.
12.	<b>Tax Benefit</b>	Income will 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.

<b>RISK FACTORS</b>	
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.	As there is a limited scope of investment under Shariah Law in Bangladesh, it would be difficult for the Fund Manager to swap between asset classes if and when required.
05.	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 will fully reflect their underlying net asset values.
06.	If the companies wherein the Fund will be invested fail to pay expected dividend may affect the return of the Fund.
07.	For investing in Pre-IPO Placement securities i.e. in unlisted securities by the Fund may involve liquidity risk.
08.	Uncertainties like political and social instability may affect the value of the Fund's Assets.
09.	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 (ICB AMCL) has received Registration Certificate from the Securities and Exchange Commission (SEC) under the সিকিউরিটিজ ও 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 Securities and Exchange Commission (SEC)

*“APPROVAL OF THE 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 reason, grants listing within 75 (seventy five) 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 fifteen days from the date of refusal for listing by the Stock Exchange(s), or from the date of expiry of the said 75 (seventy five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, The Asset Management Company, in addition to the Sponsor and Trustee, shall be collectively and 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 Trustee shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money.”

### 1.4 Documents available for inspection

- (01) Copy of this prospectus will be available at the Members of the Stock Exchanges, Banker to the Issue and the registered office of the ICB Asset Management Company Limited and also available at the website of Securities and Exchange Commission ([www.secbd.org](http://www.secbd.org)) and ICB Asset Management Company Limited ([www.icbamcl.com.bd](http://www.icbamcl.com.bd)).
- (02) Copy of Trust Deed, Investment Management Agreement and the Prospectus may be inspected during the business hours at the head office of the Asset Management Company of the Fund during the period **10 (ten) days** from the publication date of this Prospectus.

## 1.5 CONDITIONS OF PUBLIC OFFER

- i. Fund size will not be increased as IFIL Islamic Mutual Fund-1 is a close-end Mutual Fund.
- ii. The following further conditions are mentioned under Part - A, B, C and D namely:-

### PART-A

- (01) The Fund shall go for Public Offer (PO) for 5,00,00,000 (five crore) units of Tk. 10.00 (ten) each at par worth Tk. 50,00,00,000 (fifty crore) only following সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, the Securities and Exchange Commission (Public Issue) Rules, 2006, the ডিপজিটরি আইন, ১৯৯৯ and regulations issued there under.
- (02) The prospectus/abridged version of the prospectus as vetted by SEC, shall be published in two widely circulated national daily newspapers (Bangla and English) within **10 (ten) days** of receipt of the approval letter. Provided that information relating to publication of prospectus in the form of advertisement be published in two national daily newspapers (Bangla and English).
- (03) Sufficient copies of 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.
- (04) The Asset Management Company shall ensure transmission of the prospectus and relevant application forms for NRBs through e-mail, simultaneously of publication of the prospectus, to the Bangladesh Embassies and Missions abroad, as mentioned in the prospectus, and shall also ensure sending of the printed prospectus and application forms 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 SEC by the Asset Management Company within **3 (three) working days** from the date of said despatch of the prospectus & the forms.
- (05) The paper clipping of the published prospectus/abridged version of the prospectus and all other published documents/notices regarding the Scheme shall be submitted to the Commission within **24 (twenty four) hours** of publication thereof.
- (06) The Asset Management Company shall submit **40 (forty)** copies of the printed prospectus, along with a diskette/Compact Disc (CD) prepared in "MS WORD" containing the prospectus and its abridged version, as vetted by SEC, to the Securities and Exchange Commission for official record within **5 (five) working days** from the date of publication of the prospectus in the newspaper.
- (07) The Asset Management Company shall maintain separate bank account(s) for collecting proceeds of the Public Offering and shall also open 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

company shall open the above-mentioned accounts for Public Offer purpose and close these accounts after refund of over-subscription. **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.”**

- (08) Subscription shall start after **25 (twenty five) days** from the date of publication of the prospectus for both NRBs and resident Bangladeshis. Subscription will remain open for **5 (five) consecutive banking days**.
- (09) Application shall be sent by the NRB applicants directly to the Asset Management Company within the closing date of the subscription so as to reach the same to the Asset Management Company by the closing date plus **9 (nine) days**. Applications received by the Asset Management Company after the above-mentioned time period will not be considered for allotment purpose.
- (10) The Asset Management Company shall apply the spot buying rate (TT clean) in US\$, UK Pound Sterling and Euro of Sonali Bank Limited as prevailed on the date of opening of the subscription for the purpose of application of the NRBs.
- (11) **A non-resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking “Account Payee only”. Application shall be sent by the NRB applicants to the Asset Management Company within the closing date of the subscription so as to reach the same to the company by the closing date plus 9 (nine) days. Applications received by the company after the above time period will not be considered for allotment purpose.**
- (12) The Asset Management Company shall ensure prompt collection/clearance of the foreign remittances of NRBs for allotment of units without any difficulty/complain.
- (13) The Asset Management Company shall provide SEC with the preliminary status of the subscription within **5 (five) working days** from closure of the subscription date and also the list of valid and invalid applicants (i.e. final status of subscription) in electronic form in 2 (two) CDs to the Commission within **3 (three) weeks** after the closure of the subscription date including bank statement (original), branch-wise subscription statement. The final list of valid and invalid applicants shall be finalized after examining with the CDBL in respect of BO accounts and particulars thereof. The Public Offering shall stand **cancelled** and the application money shall be refunded immediately {but not later than **5 (five) weeks** from the date of the subscription closure} if any of the following events occur:
- (a) **Upon closing of the subscription list it is found that the total number of valid applications is less than the minimum requirement as specified in the listing regulations of the Stock Exchange(s) concerned; or**
  - (b) **At least 60% (i.e. Tk. 60.00 crore) of the targeted amount (i.e. Tk. 100.00 crore) under বিধি ৪৮ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ is not subscribed.**
- (14) **Public Offer distribution system**
- (a) **Units of Tk. 5,00,00,000.00 (five crore) only** of total public offering shall be reserved for non-resident Bangladeshi (NRB) and **units of Tk. 5,00,00,000.00 (five crore) crore** for mutual funds and collective investment schemes registered with the

Commission, and the remaining units of **Tk. 40,00,00,000.00 (forty crore) only** shall be open for subscription by the general public;

- (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 Securities and Exchange Commission;
  - (c) In case of **over subscription under any of the 3 (three) categories** mentioned in para (a), the Asset Management Company shall conduct an open lottery of all the applications received under each category **separately** in accordance with the SEC's instructions;
  - (d) In case of **under-subscription** under any of the 2 (two) categories [**i.e. units of Tk. 5,00,00,000.00 (five crore) only for NRB and units of Tk. 5,00,00,000.00 (five crore) only for Mutual Funds**] mentioned in para (a), the unsubscribe portion shall be added to the **general public category [units of Tk. 40,00,00,000.00 (forty crore) only]** and if after such addition, there is over subscription in the general public category, the Asset Management Company shall conduct an open lottery of all the applicants added together;
  - (e) The lottery as stated in para (c) and (d) shall be conducted in presence of the authorized representatives of the Stock Exchange(s) concerned, Sponsor, Asset Management Company, Trustee and the applicants.
- (15) Upon completion of the period of subscription for securities the issuer and the Asset Manager shall jointly provide the Commission and the Stock Exchange(s) with the preliminary status of the subscription within **5 (five) working days**, in respect of the following matters, namely:-
- (a) Total number of securities for which subscription has been received;
  - (b) Amount received from the subscription; and
  - (c) Amount of commission paid to the banker to the issue.
- (16) The Asset Management Company shall issue unit allotment letters to all successful applicants within **5 (five) weeks** from the date of the subscription closing. Within the same time, refund to the unsuccessful applicants shall be made in the currency in which the value of units was paid for by the applicants without any interest, through direct deposit to the applicant's bank account as far as possible/Account Payee Cheque/refund warrants with bank account number, bank's name and branch as indicated in the unit application forms payable at Dhaka/Chittagong/Khulna/Rajshahi/Barisal/Sylhet/Bogra, as the case may be subject to condition no. 19 below.
- Refund money of the unsuccessful applicants shall be credited directly to their respective bank accounts, who have chosen the option in the IPO application forms, as maintained with the bankers to the issue or any other banks mentioned in the application.
- A compliance report in this regard shall be submitted to the Commission within **7 (seven) weeks** from the date of closure of subscription.
- (17) The applicant shall provide the same bank account number in the application form as it is in the BO account of the applicant. Otherwise the application will be considered invalid and the subscription money may be forfeited.
- (18) All the applicants shall first be treated as applied for one minimum market lot of **500 (five hundred) units worth Tk. 5,000 (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 issuer and the Asset Manager shall jointly 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.

- (19) **An applicant cannot submit more than two applications, one in his/her own name and another 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, whole or part of application money may be forfeited by the Commission.**
- (20) Lottery (if applicable) will be held within **4 (four) weeks** from closure of the subscription date.
- (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. 10,00,00,000.00 (ten crore) 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. 1,00,00,000.00 (one crore) shall be subject to a lock-in period of full time of the Fund.**
- (23) Pre-IPO placement will be in **1 (one) year** lock-in period from the date of listing of the Fund.
- (24) If the Asset Management Company fails to collect the **minimum 60%** of the targeted amount under বিধি ৪৮ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, it will **refund** the subscription money within **5 (five) weeks** from the closure of subscription without any deduction. In case of failure, the Asset Management Company shall refund the same with interest @ 18% per annum from its own account within the next month.
- (25) In case of over subscription, the excess amount shall be refunded within **5 (five) weeks** from the closure of subscription period, failing which the Asset Management Company will refund the same with an interest @ 18% per annum from its own account within the next month.
- (26) The Asset Management Company shall publish a notice through the newspaper to all successful applicants within **5 (five) weeks** from the closing of subscription for collection of allotment letters.
- (27) The Asset Management Company shall apply for listing of the Scheme with Stock Exchange(s) within **7 (seven) working days** of first publication of the prospectus.
- (28) **Declaration about Listing of the Scheme with the Stock Exchange(s)**  
 "None of the Stock Exchange(s), if for any reason, grants listing within 75 (seventy five) 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 **75 (seventy five) 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, in addition to the Sponsor and Trustee, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% 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 refund of the subscription money.”

- (29) **Letter informing allotment shall be issued within 5 (five) weeks from the closure of subscription.**
- (30) The Scheme shall maintain **escrow bank account** for 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.
- (31) The Scheme shall not be involved in **option trading**, short selling or carry forward transactions.
- (32) 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 Scheme.
- (33) An 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.
- (34) Half-yearly accounts/financial results of the Scheme shall be submitted to the Commission and 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.
- (35) Dividend shall be paid within **45 (forty five) days** of its declaration, and a report shall be submitted to SEC, Trustee and Custodian within **7 (seven) days** of dividend distribution.
- (36) Net Asset Value (NAV) of the Scheme shall be calculated and disclosed publicly as per বিধি ৬০ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.
- (37) SEC may appoint auditors for special audit/investigation on the affairs of the Scheme, if it so desires.

## **PART –B**

- (01) The Asset Management Company (i.e. ICB Asset Management Company Ltd.) shall ensure that the prospectus/abridged version of the prospectus is published correctly and in strict conformity without any error/omission, as vetted by the Securities and Exchange Commission.
- (02) The Asset Management Company shall carefully examine and compare the published prospectus/abridged version of the prospectus on the date of publication with the prospectus, as vetted by SEC. If any discrepancy/inconsistency is found both the Sponsor and the Asset Management Company shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to SEC and the Stock Exchange(s) concerned, correcting the discrepancy/inconsistency as required under 'Declaration' provided with SEC.
- (03) The Sponsor and the Asset Management Company shall immediately after publication of the 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.
- (04) The Sponsor and the Asset Management Company shall simultaneously submit to the Commission an attested copy of the application filed with the Stock Exchange(s) for listing of the securities.

- (05) 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-C**

1. All the above-imposed conditions 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-D**

- (01) As per provision of the ডিপজিটরি আইন, ১৯৯৯ and regulations made there under, units shall only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the 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).**

- (02) The Asset Management Company shall also ensure due compliance of all above-mentioned conditions.

### **General Information**

- (01) This prospectus has been prepared by ICB AMCL based on the Trust Deed executed between the Trustee & 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.

### **1.6 Subscription**

Subscription to the IFIL ISLAMIC MUTUAL FUND-1 will remain open for **5 (five) consecutive banking days** which will commence at the opening of banking business on **26-09-2010** and will be closed at the end of the banking business on **30-09-2010**.

## 1.7 DECLARATIONS

### Declarations about the responsibility of the Sponsor

The sponsor whose name appears in this prospectus, accept 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 prospectus 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. Rabiul Islam)**  
Managing Director  
**Islamic Finance & Investment Ltd.**

### 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 Securities and Exchange Commission (Public Issue) Rules, 2006, 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. We also confirm that:

- (a) the prospectus is in conformity with the documents, materials and papers related to the issue.
- (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. An investor who is not interested to take a moderate degree of risk need not apply, as risk factor is associated with the investment under the Fund.

Sd/-  
**(Md. Wahiduzzaman Khandaker)**  
Chief Executive Officer  
**ICB Asset Management Company Ltd.**

**Declaration about the responsibility of the Trustee**

We, as Trustee of the IFIL ISLAMIC MUTUAL FUND-1, 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 & 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 Trust Deed and the Rules.
- 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/-  
**(Md. Humayun Kabir)**  
Managing Director  
**Investment Corporation of Bangladesh**

**Declaration about the responsibility of the Custodian**

We, as Custodian of the IFIL ISLAMIC MUTUAL FUND-1 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/-  
**(Md. Humayun Kabir)**  
Managing Director  
**Investment Corporation of Bangladesh**

## **CHAPTER-2**

### **BACKGROUND**

#### **2.1 Formation of IFIL ISLAMIC MUTUAL FUND-1**

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. Out of the total 29 (twenty nine) Mutual Funds, ICB and its Subsidiary have so far floated 21 (twenty one) Mutual Funds in the Market. Among these 21 (twenty one) Mutual Funds, the ICB Asset Management Company Limited has floated 12 (twelve) Mutual Funds of which are given below:

<b>Name of the Conventional Mutual Funds</b>	<b>Name of the Sponsor</b>	<b>Nature</b>
ICB AMCL First Mutual Fund	ICB Capital Management Limited	Close-end
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 Unit Fund	ICB Capital Management Limited	Open-end
<b>Name of the Non-Conventional Mutual Funds</b>		
ICB AMCL Islamic Mutual Fund	ICB Capital Management Limited	Close-end
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
ICB AMCL Pension Holders' Unit Fund	ICB Capital Management Limited	Open-end

Islamic mutual funds presently represent one of the fastest growing sectors within the Islamic financial industry. As Shariah supervision is an integral part of the industry, its place in relation to Islamic mutual funds is certainly no less important. Islam's prohibition against paying and charging interest prevent muslims from investing in securities that draw their income from those activities. In Islam, interest is viewed as usury or riba because of its potential for exploitation of the borrower by the lender. In addition, the Islamic Shariah Law forbids any involvement in or ties to gambling, pornography, tobacco, weapons, alcohol etc. As the conventional Funds invest and draw their income, among others, from the above mentioned companies and debt securities, ICB Asset Management Company Ltd. has decided to float a fund which will invest its funds according to the Shariah Law. It may be mentioned here that there are over 100 Islamic mutual funds in the global equity markets of which half originated in the Middle East. These funds are managed according to Islamic principles.

Islamic Mutual funds are becoming more sophisticated and they are offering attracting return to the investors. The growth of the Islamic Mutual Fund has been tremendous. Of the 100 Funds a very small number of funds were floated in the late 1990s while the rest of the funds were floated in the market in the new millennium. There has been a discernible shift in the attitude of Muslim investors. Although traditionally investment regarded as highly risk-averse, the avalanche of news surrounding events on global stock exchanges and the aggressive marketing of Islamic Mutual Fund have brought about changes. Establishment of global Islamic Indexes and sub-indexes covering north America, Europe, the Pacific and South Africa by the Dow-Jones have also

contributed in development of Islamic Mutual Fund in the global market. The indexes track Shariah complaint stocks globally and consists of companies those are compatible with Shariah Law. With the opening of the funds to the middle class Muslim investors, Islamic Mutual Funds find themselves if not in direct competition, then at least subject to direct comparison with the host of conventional mutual funds available in the market. If this Islamic Mutual Fund is floated in Bangladesh like our another fund ICB AMCL Islamic Mutual Fund, we believe that the Fund will be widely accepted by the investors particularly those investors who believe in Shariah transactions.

Mutual Funds contribution is bigger than other securities in developed countries. The contribution of the existing Mutual Funds in terms of the local stock market capitalisation is around 1 percent, which is more than 30 percent in many developed countries. Keeping in view the situation, Islamic Finance & Investment Limited (a public limited company) comes forward with the proposal to act as sponsor of a Mutual Fund to fulfill the market demand.

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

After exhibiting considerable volatility during FY2009, stock market indicators rose in the first quarter of FY2010. The index reached 4,380.9 points at the end of November 2009, an increase of 50.3% over July 2009. Market capitalization of the Dhaka Stock Exchange rose from Tk. 1,291.4 billion in July 2009 to Tk. 1,837.1, by the end of November 2009, up by 42.3%. The increase in transactions in the stock market is attributed to the listing of GrameenPhone shares in the stock exchange, and significant involvement of institutional participants, which had a positive impact on the volume and price of stocks.

The Chittagong Stock Exchange (CSE) selective categories index mostly followed the trend of the Dhaka Stock Exchange index and is also showing an upward trend. The CSE index rose to 8,240.9 points by the end of November 2009, a rise of 29.0% over July 2009. CSE market capitalization rose by 54.6% in November 2009 over July 2009.

The Securities and Exchange Commission (SEC) is introducing new sets of measures to increase the flow of funds into the capital market. The measures include enhancing the margin–loan ratio provided by brokers to clients, increasing the capacity of financial institutions to provide loans to brokers and issuing more licenses to merchant banks. Moreover, to attract big issues to the stock market, SEC approved rules for a book-building system for initial public offer (IPO) pricing of companies that either offer at least a 10% share of their paid-up capital or shares valued above Tk. 300 million.

## **2.3 Advantages in investing IFIL ISLAMIC MUTUAL FUND-1**

Generally investment in mutual funds enjoys some advantages compared to investment made directly in other securities of the capital market. Investors of this mutual fund will be able to enjoy the following advantages.

- (01) As the Fund will be invested in Shariah compatible securities, there shall be no scope of haram earnings and as a result the income in the hand of the investors will totally be halal.
- (02) Diversified portfolio to be developed for the Fund will help in lowering investment risk of the small investors.
- (03) Diversified portfolio of the Fund will help the small investor to access to the whole market, which is difficult at individual level.
- (04) By channelizing small investors saving both in local currency and foreign currency will add liquidity to the market.

- (05) As the Fund will be professionally managed, investors will be relieved from the emotional stress associated with day-to-day management of individual investment portfolio.
- (06) The Mutual Fund industry gives investors more and better information than any other investment industry.
- (07) The investors will 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 will 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 SEC, 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 will 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. SEC 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 will 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 IFIL ISLAMIC MUTUAL FUND-1, is constituted by a Trust Deed entered into between Islamic Finance & Investment Limited and Investment Corporation of Bangladesh on **June 26, 2009** under the Trust Act, 1882 and Registration Act, 1908.

The Fund has been registered by the SEC on **June 16, 2009** under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১. The Fund received consent for issuing Prospectus for public offer from SEC on **August 11, 2010**.

#### 3.2 Life of the Fund

The Fund will 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.

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

Total size of the Fund is fixed at Tk. 100,00,00,000 (one hundred crore) divided into 10,00,00,000 (ten crore) units of Tk. 10.00 each. The Sponsor's portion of the Fund is Tk. 10,00,00,000 (ten crore) i.e. 1,00,00,000 (one crore) units of Tk. 10.00 each. Pre-IPO Placement is Tk. 40,00,00,000 (forty crore) i.e. 4,00,00,000 (four crore) units of Tk. 10.00 (ten) each. The balance 5,00,00,000 (five crore) units of Tk. 10.00 each totaling Tk. 50,00,00,000 (fifty crore) is available for public offering including NRBs, Mutual Funds and collective investment schemes. The market lot will be constituted of 500 (five hundred) units. Minimum Application amount for public offer shall be for 500 (five hundred) units amounting Tk. 5,000 (five thousand) and its multiples on a single BO account.

## **CHAPTER- 4**

### **INVESTMENT OBJECTIVES AND POLICIES**

#### **4.1 Investment Objective**

The scheme has been designed for a specific sectoral objective i.e. to provide interest free return to the investors by investing the fund only in Shariah compliant instruments.

#### **4.2 Investment Policies**

01) The fund shall invest both in listed and non listed securities. While investing in securities the following criteria are to be observed:

##### **(i) Primary Selection of Companies**

The basic business of the company should be in consistence with the Shariah Law. Although no universal consensus exists among contemporary Shariah scholars on the prohibition of companies, most Shariah boards have advised against investment in companies involved in the activities of:

- a) Conventional Banks, Insurance and Leasing Companies
- b) Alcohol
- c) Pork related products
- d) Tobacco
- e) Weapons and Defense
- f) Entertainment (Hotels, Casinos/Gambling, Cinema, Pornography, Music etc.)

##### **(ii) Screening of Acceptable Companies**

After removing companies with unacceptable primary business activities, the Fund may invest in the remaining companies if:

- a) The total debt of the investee company is equal to or less than 33% of the trailing 12 month average market capitalization of the Company.
  - b) The sum of cash or interest bearing securities of the investee companies is less than or equal to 33% of the trailing 12 month average market capitalization of the company.
  - c) The Accounts Receivable is less than or equal to 45% of the Total Assets of the Company.
- 02) The Fund may also invest in other Shariah Compliant instruments as and when they are available for investment. Specifically:
- i) in Participation Term Certificates, Mudaraba Certificates, Musharaka, Murabaha, Term Finance Certificates and all other asset backed securities.
  - ii) in contracts, securities or instruments of companies, organizations, and establishments issued on the principles of Bai' Mu'ajjal, Bai' Salam, Istisna'a, Mudaraba, Murabaha and Musharika.
  - iii) in the form of Riba-free cash deposits with Islamic Banks or financial institutions with the object of maintaining sufficient liquidity to meet the day to day requirement and to take advantage of suitable investment opportunities as and when they arise.
  - iv) in other instruments that may be allowed by the Rules and confirmed as Shariah Compliant by the Fund's Shariah Advisor from time to time.

- 03) The Fund will adopt a conservative strategy and will try to out-perform the index through market timing and security selection. A part of the fund will also be used to take advantage of the short term trading opportunities that may arise from time to time.
- 04) The AMC will make the investment decisions based on best judgment supported by documents and analysis.
- 05) The Fund shall get the securities purchased or transferred in the name of the mutual fund.
- 06) Only the AMC will make the investment decisions and place orders for securities to be purchased or sold by the Fund.
- 07) AMC will choose broker(s) for the purchase and sale of securities for the Fund's portfolio.
- 08) Settlement of transaction will take place as per the customs and practice of the Stock Exchanges in the country.
- 09) The ownership of the certificates will be changed by CDBL under electronic book entry system and there will be no physical movement or endorsement of certificates.

### 4.3 Investment Restrictions

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

- i) The Fund shall not buy its own unit.
- ii) The Fund shall not involve in option trading or short selling or carry forward transactions.
- iii) The Fund shall not invest in or lend to another scheme under the same Asset Management Company. However, the inter fund transactions can be made through Stock Exchanges.
- iv) 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.
- v) The Fund or the ICB Asset Management Company Ltd. on behalf of the Fund shall not give or guarantee term loans for any purpose or take up any activity in contravention of the Rules.

### 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 assets less total liabilities as per Rule 60 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ by the total number of units outstanding. As per section 58 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, valuation policy of investment of the Fund needs to be approved earlier by Securities and Exchange Commission. Valuation criterion so far approved by the Commission in the trust deed is as follows:

- (01) For listed securities, the average quoted closing 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) When the securities were not traded either at DSE or CSE on the particular valuing date, immediate previous average price, which one is nearer, but not longer than 30 days, to the valuing date will be taken into account.
- (03) When the securities were not traded either at DSE or CSE for a period for over 30 days, the Fund shall follow the method approved by the Commission for valuation of the non-traded investment, and the Trustee shall periodically review the value of such investments.

- (04) The valuation of non-traded securities will be made with their reasonable value by the ICB AMCL and approved by the Trustee and commented upon by the Auditors in the Annual Report of the Mutual Fund but shall not be more than the intrinsic value of the securities.
- (05) The valuation of non-listed securities will 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.
- (06) Once non-listed securities are valued, the valued amount will 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.
- (07) The valuation of investment made under Shariah complaint investments e.g. Mudaraba, Musharaka, Murabaha, etc. will be made by AMC with the approval of the Trustee and in consultation with the Shariah Advisor. The auditors will comments on the policy of valuation in the Audit Report.
- (08) Asset Management Company and Trustee will be made the value of non-listed securities at least after every three months.
- (09) 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 (NAV) of such securities in the portfolio of the Fund.
- (10) In case of deferred expenses, accrued expenses for the period will be taken into account for determining total liabilities.

Following the valuation criteria as set forth above, the Fund will use the following formula to derive NAV per unit:

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

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

$V_A$  = Value of Total Assets of the Fund as on date

$L_T$  = Total liabilities of the Fund as on date

$V_A$  = 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 of tax + Interest receivables, net of tax + Issue expenses amortized as on date + Printing, publication and stationery expenses amortized as on date.

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

## 4.5 Investment Management

ICB AMCL will have discretionary authority over the Fund's portfolio about investment decision.

However, 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 সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ and trust deed or any general directions given by the Trustee and/or by the Commission.

## 4.6 Dividend Policy

- (01) The accounting year of the Fund shall be July 01 to June 30.
- (02) All the unit holders have equal but proportionate right in respect of dividend. Dividend will be paid in Bangladeshi Taka.
- (03) The Fund shall distribute minimum **70 percent** or as may be determined by this Rules from time to time, of the annual net income of the Fund as dividend at the end of each accounting period after making provision for Bad and Doubtful Investments. The Fund shall create a Dividend Equalization Reserve by appropriation from the income of the Fund.
- (04) 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 will be incorporated in the notes of accounts.
- (05) Surpluses arising simply from the valuation of investments shall not be available for dividend.
- (06) Dividend warrants will be dispatched within 45 days from the declaration of such dividends.
- (07) Before record of ownership by the CDBL, a transferee shall not possess the right to any dividend declared by the Fund.
- (08) The Asset Management Company may open separate Bank Account for each dividend distribution out of the Fund. Notwithstanding any thing 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) As there is a limited scope of investment under Shariah Law 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 shares of the Fund will fully reflect their underlying net asset values.
- (07) If the companies fail to provide expected dividend, Income of the Fund will be affected.
- (08) For investing in Pre-IPO 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) 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 will always rule over supply.
- (03) Image of ICB, being the holding company of the ICB AMCL and the Trustee of the Fund for successful marketing of eight close-end and one open-end mutual fund may motivate investors to invest in this Fund before enactment of the সিকিউরিটিজ ও এন্ড্রচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.
- (04) Successful launching and subsequent satisfactory performance of 12 (twelve) 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**

The Government of Bangladesh in 1991 decided to allow private capital investment to take initiative concerning the formation of new and dynamic financial institutions. This company is a public limited company within the meaning of clause(r) of section 2(1) of Companies' Act, 1994 in Bangladesh fully owned by Bangladeshi nationals. Islamic Finance and Investment Limited (IFIL) was incorporated on February 27, 2001 as a Public Limited Company with the Registrar of Joint Stock Companies (RJSC) under the Companies Act 1994.

The philosophy of IFIL is to develop the company into an ideal and unique financial institution with Islamic values. IFIL is the "FIRST" Financial Institution of the country based on Islamic Shariah. The philosophy of IFIL is to grow as a leader in the industry rather than a follower. The leadership will be in the area of services, constant efforts are being made to add new dimensions so that clients can get "Something extra" in the matter of services to commensurate with the needs and requirements of the country's growing society and developing economy.

The present authorized and paid up capital of the company are Tk. 100.00 crore and Tk. 39.84 crore respectively. From the very beginning of its operation, IFIL is playing an important role in private sector industry, commerce, trade and real estate business. As a full fledged financial institution it receives term deposits and extends Investments through better counseling and effective services to the clients for the socio-economic development of the country.

#### **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) itself will act as the Trustee & Custodian of the Fund. ICB itself will be the Trustee and Custodian whereas ICB AMCL will act as the Fund Manager of the said Mutual Fund.

The Investment Corporation of Bangladesh (ICB) was established on October 01, 1976, under "The Investment Corporation of Bangladesh" Ordinance, 1976 (No. XL of 1976) with a view to encouraging and broadening the base of investment, develop the capital market, mobilize savings, promote and establish subsidiaries for business development & provide for matters ancillary thereto. Over the years, the activities of ICB have grown manifold, particularly in Merchant Banking, Mutual Funds operations and Lease Financing activities. ICB is the biggest investment bank and the harbinger of Mutual Funds in the country. Out of country's 27 (twenty seven) close-end Mutual Funds, ICB manages 8 (eight) Funds. ICB also manages the biggest open-end Fund in the country. It was also the single largest stockbroker and dealer in Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. ICB itself also will be the Trustee and Custodian of the Fund whereas ICB AMCL will act as the Fund Manager of the said Mutual Fund.

In the reporting year, ICB and its subsidiary companies contribution to total turnover (Tk. 1,01,897.20 crore) of both the bourses was 5.32%, which was 6.9% in the preceding year.

Up to June 2009, ICB acted as Trustee to the debenture issues of 17 companies involving Tk. 184.15 crore, issues of bonds of 6 companies involving Tk. 624.36 crore. ICB also performed the responsibilities of Trustee as well as custodian to 9 close-end Mutual Funds of Tk. 395.00 crore and 2 open-end Mutual Funds with initial capital of Tk. 10.00 crore each as on June 30, 2009.

As on December 31, 2009, the number of ICB assisted securities were 155 out of 415 listed securities of Dhaka Stock Exchange Limited. Out of 217 listed securities of Chittagong Stock Exchange Limited, ICB assisted securities totaled 116. Besides portfolios of over 43,815 investors (margin) accounts, institutional portfolios including Mutual Funds and Unit Fund are also being managed by ICB. The Corporation has long and proven experience in 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. Since inception, ICB has been playing a unique role in the development of country's capital market.

### 6.3 Asset Manager of the Fund

ICB Asset Management Company Limited (ICB AMCL), a subsidiary of ICB will 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 People's Republic of Bangladesh and Asian Development Bank (ADB). The company was incorporated as a public limited company under the কোম্পানী আইন, ১৯৯৪ with the Registrar of Joint Stock Companies & Firms on December 05, 2000. Registration of the company with the SEC was obtained on October 14, 2001. The company has also obtained necessary Government Gazette Notification on July 01, 2002 to carry out the Mutual Fund operations.

The present authorized capital of the Company is Tk. 100,00,00,000.00 (one hundred crore) only and paid-up capital is Tk. 12,00,00,000.00 (twelve crore) only. The company has been successfully managing 10 (ten) close-end and 2 (two) open-end Mutual Funds for the last 7 (seven) years.

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:

**Mr. Md. Khurshed Hossain**, M.Com in Marketing and LL.B degree from Dhaka University. He has obtained MBA majoring in international Trade and commerce from U.S.A. He has 26 years of working experience in the field of Govt. Service, investment and commercial Banking. He has attended several Training programs in home and abroad. He has various research paper and publications on Industrial venture and capital market. Presently he is General Manager of ICB and Chairman of ICB Asset Management Company Limited.

**Mr. Nasir Uddin Ahmed**, B.Com (Hons) M.Com in Accounting from University of Dhaka and Fellow of Cost & Management Accountants of Bangladesh. He is Deputy General Manager of ICB, and has been serving in different operational areas. He has completed several training programs in home and attended various workshops particularly in Capital and Money market related subjects in home and abroad.

**Mr. Md. Wahiduzzaman Khandaker**, B.Com (Hons) M.Com in Finance from University of Dhaka. He has attended several training programs in home and abroad. He has completed 26 (twenty six) years of service in the field of investment banking. Presently he is the Chief Executive Officer (CEO) of ICB Asset Management Company Limited.

**Dr. Mokbul Ahmed Khan**, an M.A. in Economics from Dhaka University and Ph.D. in Economics from Moscow is a director of the company. He has obtained post-Doctoral Fellowship from New Zealand, Post Graduate Diploma in Personnel Management from BIBM. He has completed different training in home and abroad. He is the secretary general of BPMI and associated in consultancy business, Government services for about 28 (twenty eight) years.

**Mr. Md. Nurul Alam**, a director of the company is an MBA in Finance. He has obtained various professional training from home and abroad. He was an Executive Director of Bangladesh Bank and retired from the job few years back.

**Dr. Mahmood Osman Imam** is a Professor and Chairman of Department of Finance from University of Dhaka. He did his Doctorate Program at K.U. Leuven in Belgium and obtained Doctor in Applied Economics degree. Earlier he got his MBA (Major in Finance) degree from the same University. He is Fellow of Cost & Management Accountants, Dhaka. He has much publication and attended various workshop/seminar regarding Capital Market development in Bangladesh.

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 Shariah Advisor**

The first Shariah Advisory Board of the Fund shall be constituted with the following members:

- (1) Mr. Shah Abdul Hannan
- (2) Dr. M. Shamsheer Ali
- (3) Dr. Haroon Rashid
- (4) Mowlana Abul Kalam Azad
- (5) Mr. Md. Mukhlesur Rahman
- (6) Managing Director, ICB
- (7) Chairman, ICB AMCL
- (8) CEO, ICB AMCL

#### **6.5 Auditors**

Khan Wahab Shafiq Rahman & 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.

#### **6.6 Shariah Compliance Auditor**

The Auditor of the Fund will also act as Shariah Compliance Auditor, and will complete Shariah Compliance Audit of the Fund for each Accounting Period within 30 days from the date of closing of Accounting Year, and will issue a Shariah compliance audit report.

## 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.
- (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, cost for publication of reports & periodicals, bank charge, etc, shall not exceed 4% of the weekly average net asset outstanding during any accounting year or as may be determined by the Rules.

#### 7.2 Fees and Expenses

The Fund will 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 will 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 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 SEC. The Fund will 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 Taka 100.00 (one hundred) crore, ICB AMCL estimated the normal annual operating expenses of the Fund, which will not exceed 4 per cent of the average NAV of the Fund. However, there may be variation in the actual operating expenses of the Fund. Major expenses of the Fund are detailed as follows:

##### (a) Issue and Formation Expenses

Issue and formation expenses are estimated to be not over 5 percent of the total Fund size i.e. Tk. 5.00 (five) crore. The expenses will 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:

1.	Banker to the issue fee/Collection Charge	... ..	0.60 per cent
2.	Printing & Publication	... ..	1.60 percent
3.	Legal Expenses (Listing Fees, Registration Fees etc.)	... ..	1.60 per cent
4.	Other expenses.	... ..	<u>1.20 per cent</u>
	<b>Total</b>	... ..	<b>5.00 percent</b> =====

##### (b) Management Fee

The Asset Management Company shall charge the Fund annual management fees for Investment Management at the following rate:

- (a) @ 2.50% per annum of the weekly average Net Asset Value (NAV) of the Fund up to Tk. 5.00 (five) crore;

- (b) @ 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;
- (c) @ 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
- (d) @ 1.00% per annum for additional amount of the weekly average NAV of the Fund over Tk. 50.00 (fifty) crore.

Above accrued fees shall be paid annually by the Fund.

(c) **Trustee Fee**

The Fund shall pay an annual Trusteeship fee @ 0.10 per cent of the Fund size i.e. Tk. 10,00,000.00 (ten lac) only payable semi-annually during the life of the Fund.

(d) **Custodian Fee**

The Fund shall pay to the Custodian i.e. ICB for safekeeping of securities @ 0.10 percent of balance securities calculated on the average month end value per annum.

(e) **Fund Registration and Annual Fee**

The Fund has paid 0.20 percent of the Fund size i.e. Tk. 20,00,000.00 (twenty lac) only to the Securities and Exchange Commission (SEC) as registration fee. In addition to that the Fund will have to pay @ 0.10 percent of the Fund size i.e. Tk. 10,00,000.00 (ten lac) only per annum as annual fee in terms of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.

(f) **Listing Fee**

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

(g) **Audit Fee**

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

(h) **Shariah Advisory Fee**

The Shariah advisory fee shall be determined by the Trustee from time to time.

## **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) divided into 10,00,00,000 units of Tk. 10.00 each. The total distribution of units shall be as follows:

<b>Subscribers</b>	<b>No of units</b>	<b>Face Value (Tk.)</b>	<b>Amount (Tk.)</b>	<b>Remarks</b>
Sponsor	1,00,00,000	10.00	10,00,00,000	Subscribed
Pre-IPO Placement	4,00,00,000	10.00	40,00,00,000	Subscribed
Reserved for Mutual Funds	50,00,000	10.00	5,00,00,000	Yet to be subscribed
Non-Resident Bangladeshis (NRB's)	50,00,000	10.00	5,00,00,000	Yet to be subscribed
Resident Bangladeshis	4,00,00,000	10.00	40,00,00,000	Yet to be subscribed
<b>Total</b>	<b>10,00,00,000</b>		<b>100,00,00,000</b>	

#### **8.2 Capital Structure**

##### **a) Subscription from sponsor**

Islamic Finance & Investment Ltd., the sponsor, has already subscribed Tk. 10,00,00,000.00 for 1,00,00,000 units of Tk. 10.00 each at par as per Rule 9 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.

##### **b) Pre-IPO Placements**

The following institutions have been subscribed Tk. 40,00,00,000.00 (forty crore) only for 4,00,00,000 (four crore) units of Tk. 10.00 (ten) each at par as follows:

<b>Sl. No.</b>	<b>Pre-IPO Investors</b>	<b>No. of units</b>	<b>Amount (Tk.)</b>
01	AB Bank Limited - Investors A/C	20,80,000	2,08,00,000
02	Agrani Bank Limited - Investors A/C	50,000	5,00,000
03	Bangladesh Mutual Securities Limited - Investors A/C	54,55,000	5,45,50,000
04	Bay Leasing & Investment Limited - Investors A/C	2,50,000	25,00,000
05	BRAC EPL - Investors A/C	1,00,000	10,00,000
06	Export Import Bank of Bangladesh Limited - Investors A/C	6,50,000	65,00,000
07	GSP Finance Company Bangladesh Limited - Investors A/C	1,50,000	15,00,000
08	ICB AMCL Provident Fund	59,500	5,95,000
09	ICB Capital Management Limited - Investors A/C	25,25,500	2,52,55,000
10	IDLC Finance Limited - Investors A/C	4,60,000	46,00,000
11	IIDFC Capital Limited - Investors A/C	13,00,000	1,30,00,000
12	Janata Bank Limited - Investors A/C	1,50,000	15,00,000
13	Lanka Bangla Finance Limited - Investors A/C	39,20,500	3,92,05,000
14	Mercantile Securities Limited - Investors A/C	9,00,000	90,00,000
15	Prime Bank Limited - Investors A/C	1,20,11,500	12,01,15,000
16	Prime Finance and Investment Limited	3,00,000	30,00,000
17	Prime Finance and Investment Limited - Investors A/C	18,79,500	1,87,95,000
18	Prime Islami Life Insurance Limited	1,00,000	10,00,000
19	Radiant Investment & Fund Management Limited	70,000	7,00,000
20	Satcom IT Limited	50,000	5,00,000
21	Southeast Bank Limited - Investors A/C	16,13,500	1,61,35,000
22	Standard Bank Limited - Investors A/C	22,80,000	2,28,00,000
23	Swadesh Investment Management Limited - Investors A/C	8,00,000	80,00,000
24	Trust Bank Limited - Investors A/C	16,70,000	1,67,00,000
25	Union Capital Limited - Investors A/C	11,75,000	1,17,50,000
	<b>Total</b>	<b>4,00,00,000</b>	<b>40,00,00,000</b>

Investors of above pre-IPO placement will be in **1 (one) year** lock-in period from the date of listing of the Fund in Stock Exchange(s).

### c) Public Offer

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), 10% 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 and the rest 4,00,00,000 (four crore) units of Tk. 10.00 (ten) each amounting to Tk. 40,00,00,000.00 (forty crore) only are being offered to the Resident Bangladeshis for subscription in cash in full on application. The distribution is as under:

Sl. No.		No. of units	Amount (Tk.)
1.	Reserved for Mutual Funds (10% of PO)	50,00,000	5,00,00,000
2.	Non-Resident Bangladeshis (NRB's) {10% of PO}	50,00,000	5,00,00,000
3.	Resident Bangladeshis (40% of PO)	4,00,00,000	40,00,00,000
<b>Total</b>		<b>5,00,00,000</b>	<b>50,00,00,000</b>

### 8.3 Tax Exemption

Investment in this Fund by individual investors will enjoy tax exemption benefit under section 44(2) of the Income Tax Ordinance, 1984.

### 8.4 Rights of the unit holders

- (a) **Dividend:** The units carry rights to dividends as explained in the 'Dividend Policy' of the Fund, set forth in Chapter 4.
- (b) **Transfer of units:** Units are transferable. The transfer will 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 সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১. 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 will be listed with DSE and CSE. So investment in this Fund will easily be encashables.

### 8.5 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 monthly basis through DSE/CSE and newspaper(s).

- (c) **Accounts and Information:** The Fund's financial year will 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 will 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 will be published / notified to the DSE and CSE by the Asset Management Company.

## **CHAPTER- 9**

### **REDEMPTION / WINDING UP POLICY**

#### **9.1 Procedure of Redemption / Winding up**

- (01) The Mutual Fund shall be redeemed on maturity on the expiry of the **ten years** tenure of the Fund from the date of first listing. However, unit holders at a general meeting arranged by the Trustee and the Asset Management Company may decide to extend the life of the Fund with three-fourth-majority vote of the unit holders.
- (02) The Fund may also be wound up on the happening of any event, which, in the opinion of the Trustee, requires the scheme to be wound up.
- (03) The Fund may also be wound up if seventy five per cent of the unit holders of the scheme 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 separate notice of the circumstances leading to the winding up of the scheme to the Commission and the Stock Exchanges and if winding up is permitted by the Commission, shall publish in two daily newspapers having circulation all over Bangladesh and also in a vernacular newspaper circulating at the place where the Mutual Fund is established.

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

- (01) The Trustee shall call a meeting within thirty days from the notice date of the unit holders to consider and pass necessary resolutions by three-fourth majority of the unit holders present and voting at the meeting for authorizing the Trustee to take steps for winding up of the scheme. If it fails to have three-fourth majority mandate, the Commission shall have the power to supercede the mandate if situation demands such.
- (02) The Trustee shall dispose off the assets of the Fund in the best interest of the unit holders, provided that the proceeds of sale made in pursuance of the Rules, shall in the first instance be utilized towards discharge of such liabilities as are properly due under the scheme 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 scheme as on the date when the decision for winding up was taken.
- (03) Within thirty days 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 the Fund for winding up, net assets available for distribution to the unit holders and a certificate from the auditors of the Fund.

#### **9.3 Effect of Redemption / 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 scheme.
- b. Cease to create and cancel units of the scheme.
- c. Cease to issue and redeem units of the scheme.

## **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, unit of the Fund will be issued in dematerialized form, only and, for this purpose, IFIL ISLAMIC MUTUAL FUND-1 has signed an agreement with the Central Depository Bangladesh Limited (CDBL). Therefore, all transfers/transmissions, splitting or conversions will 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
Sponsor's Contribution	:	1,00,00,000 units of Tk. 10.00 each at par for Tk. 10.00 crore
Pre-IPO Placement	:	4,00,00,000 units of Tk. 10.00 each at par for Tk. 40.00 crore
Reserved for Mutual Funds and collective investment schemes	:	50,00,000 units of Tk. 10.00 each at par for Tk. 5.00 crore
Non-Resident Bangladeshis	:	50,00,000 units of Tk. 10.00 each at par for Tk. 5.00 crore
Resident Bangladeshis	:	4,00,00,000 units of Tk. 10.00 each at par for Tk. 40.00 crore

#### **10.2 Minimum subscription for the issue**

The target amount to be raised in respect of the Fund is Tk. 100,00,00,000.00 (one hundred crore) only including sponsors portion. As per the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, the minimum subscription will be 60 percent of the Fund's target amount i.e. Tk. 60,00,00,000.00 (sixty crore) only including sponsor's contribution. The Trustee & Asset Management Company shall be liable to refund to the entire amount collected if subscription stands below the amount of Tk. 60,00,00,000.00 (sixty crore) only.

#### **10.3 Conditions of Allotment**

- (01) 5,00,00,000 (five crore) units of Tk. 10.00 (ten) each will be allotted between the Resident and Non-Resident Bangladeshis (NRB's), reserved for Mutual Funds and collective investment schemes.
- (02) As per provision of the ডিপজিটরি আইন, ১৯৯৯ and regulations made there under Mutual Fund units will only be issued in dematerialized condition. Applicants have to mention his/her BO (Beneficiary Owner) Account number in the Application form. If any applicant does not mention his/her **valid** BO (Beneficiary Owner) Account, his/her application will be treated **invalid**.

- (03) **PUBLIC OFFER Distribution System**
- (a) **Units of Tk. 5,00,00,000.00 (five crore) only** of total public offering shall be reserved for non-resident Bangladeshi (NRB) and **units of Tk. 5,00,00,000.00 (five crore) crore** for mutual funds and collective investment schemes registered with the Commission, and the remaining units of **Tk. 40,00,00,000.00 (forty crore) only** shall be open for subscription by the general public;
  - (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 Securities and Exchange Commission;
  - (c) In case of **over subscription under any of the 3 (three) categories** mentioned in para (a), the Asset Management Company shall conduct an open lottery of all the applications received under each category **separately** in accordance with the SEC's instructions;
  - (d) In case of **under-subscription** under any of the 2 (two) categories [**i.e. units of Tk. 5,00,00,000.00 (five crore) only for NRB and units of Tk. 5,00,00,000.00 (five crore) only for Mutual Funds**] mentioned in para (a), the unsubscribe portion shall be added to the **general public category [units of Tk. 40,00,00,000.00 (forty crore) only]** and if after such addition, there is over subscription in the general public category, the Asset Management Company shall conduct an open lottery of all the applicants added together;
  - (e) The lottery as stated in para (c) and (d) shall be conducted in presence of the authorized representatives of the Stock Exchange(s) concerned, Sponsor, Asset Management Company, Trustee and the applicants.
- (04) All the applicants shall first be treated as applied for one minimum lot. 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. On the other hand, if there is under subscription, then all the applicants shall first be distributed with a single lot and thereafter, for the balance amount, lottery, shall be held for the applicants who have applied for multiple lots on the basis of dividing the application money by amount of a market lot separately for both NRB and General Public.
- (05) In case of any difficulty in respect to implement the condition of offer & allotment of units, the allotment of units will be made in such a manner as determined by the SEC.
- (06) The Fund reserves the right to accept or reject any application in whole or in part.
- (07) The asset Management Company shall issue units allotment advices to all successful applicants within **5 (five) weeks** from the date of the subscription closing date. At the same time, the unsuccessful applicants shall be refunded with the application money within **5 (five) weeks** from the closing of the subscription date by **Account Payee** cheque(s)/refund warrant(s) without interest payable at **Dhaka/Chittagong/ Khulna/Rajshahi/Barisal/Sylhet/Bogra**, as the case may be.
- (08) The applicant must mention the bank account in the application form which will the same bank account as available in the database of Beneficiary Owners Account in central depository for the purpose of refund of application money.

- (09) In case of joint application all correspondence will be made with the person whose name appears first.
- (10) Successful applicants will be notified by the dispatch of an allotment advice by registered post/courier. Advice of Allotment and Refund Warrants will be issued within **5 (five) weeks** from the closing of the subscription period. After allotment the Asset Management Company will have to be transferred the units to the allottees BO account, which has mentioned in the application form.
- (11) Where allotment is made in whole or in part in respect of joint application, the allotment advices will be dispatched to the person, whose name appears first in the application form, notwithstanding that the units have been allotted to the joint applicants. Where joint application is accepted in part, the balance of amount paid on application will be refunded without interest to the person named first in the application form.

#### 10.4 Application for Subscription

- (01) Application for units may be made for a minimum lot of **500** (five hundred) units to the value of Tk. 5000/- (five thousand) and should be made on the Asset Management Company's Printed Application forms. Application forms and the Prospectus may be obtained from the registered office of the Asset Management Company, members of Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited or from the Bankers to the Issue. In case adequate forms are not available, applicants may use photocopied, cyclostyled, typed/handwritten copies of the forms. Application must not be for less than **500** units and must be for a multiple of **500** units. Any Application not meeting the criterion will not be considered for allotment purpose.
- (02) 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.
- (03) Application 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. Applications from insurance, financial and market intermediary companies must be accompanied by Memorandum and Articles of Association.
- (04) Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the Application liable to **rejection** and subject to **forfeiture** of Application money and/or **forfeiture** of the unit before or after issuance of the same by the Asset Management Company. The said **forfeited** Application money or unit will be deposited in account specified by the SEC. This may be in addition to any other penalties as may be provided for by law.
- (05) **An applicant cannot submit more than two applications, one in his/her own name and another 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, whole or part of application money may be forfeited by the Commission.**
- (06) Bangladeshi Nationals (including Non-Resident Bangladeshis residing/working abroad) shall be entitled to apply for Units.
- (07) Payment for subscription by investors other than Non-Resident Bangladeshi and Mutual Funds may be made to the said Branch/Office mentioned below in Cash/Cheque/Pay Order/bank Draft. The Cheque or Pay Order or bank Draft shall be made payable to the Bank to which it is sent and be marked " **IFIL ISLAMIC MUTUAL FUND-1**" and shall bear the crossing "**Account Payee Only**" and must be drawn on a Bank in the same town of the Bank to which Application form is deposited.

- (08) Application will not be treated as valid if anyone uses a non-scheduled bank for refund his/her subscription money. To avoid this complication investors are requested not to use the name of any non-scheduled bank for refund his/her subscription money and also requested to write the correct and full name of bank and branch in application form.
- (09) All completed application forms, together with remittance for the full amount payable on application, shall be lodged by investors other than Non-Resident Bangladeshis and Mutual Funds with any of the branches of the Banker to the Issue.
- (10) A Non-Resident Bangladeshi (NRB) shall apply against the Public Offer either directly by enclosing a foreign demand draft drawn on a Bank payable at Dhaka, or through a nominee (including a bank or a company) by paying out of foreign currency deposit account maintained in Bangladesh, for the value of Securities applied for. The value of Securities applied for may be paid in Taka, US Dollar, UK Pound Sterling or Euro at the Spot Buying (TT Clean) rate of exchange prevailing on the date of opening of subscription. Refund against over subscription of Units shall be made in the currency in which the value of Units applied for was paid by the applicant. Unit Application Form against the NRB shall be sent by the applicant directly along with a draft or cheque to the Asset Management Company at its Registered Office. The applicant shall furnish photocopies of relevant pages of valid passport(s) in support of his being a NRB, dual citizenship or of the foreign passport bearing an endorsement from the concerned Bangladeshi Embassy to the effect that no visa is required for him to travel to Bangladesh. Copies of Application Form and Prospectus shall be available with Bangladesh Embassy/High Commission in USA, UK, Saudi Arabia, UAE, Qatar, Kuwait, Oman, Bahrain, Malaysia and South Korea and web site of the Asset Management Company, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited and the Securities and Exchange Commission.
- (11) The Public Offer subscription money collected from investors (other than Non-Resident Bangladeshis) by the Banker to the Issue will be remitted to the "IFIL ISLAMIC MUTUAL FUND-1" SND A/C no. 4001 1310000187 1 with **Shahjalal Islami Bank Limited, Dhaka Main Branch, Dhaka-1000, Bangladesh.**
- (12) The Subscription money collected from Non-Resident Bangladeshis in US Dollar, UK Pound Sterling, Euro shall be deposited to "FC Account(s) for Public Offer". In case of over subscription, refund shall be made by the Asset Management Company out of the "FC Account(s) for Public Offer". The Asset Management Company has open required "FC Account(s) for Public Offer" in US Dollar, UK Pound Sterling, Euro with **Shahjalal Islami Bank Limited, Dhaka Main Branch, Dhaka-1000, Bangladesh.** These accounts will be closed after refund of over-subscription, if any.

Currency	Account No.	Bank & Branch
US Dollar	USD # 4001 1610000230 3	Shahjalal Islami Bank Limited, Dhaka Main Branch
UK Pound Sterling	GBP # 4001 1620000034 6	
Euro	EURO # 4001 1650000029 1	

**APPLICATIONS NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS AND THE INSTRUCTIONS PRINTED ON THE APPLICATION FORM ARE LIABLE TO BE REJECTED.**

## 10.5 Refund of Subscription Money

As per SEC Notification Dated February 09, 2010, the Asset Manager shall refund application money to the unsuccessful applicant of the public offer by any of the following manner based on the option given by the applicant in the application form:-

- (a) Through banking channel for onward deposit of the refund money into the applicant's bank account as provided in the respective application form for subscription;
- or
- (b) Through issuance of refund warrant in the name and address of the applicant as provided in the respective application form for subscription.

Provided that, in case of deposit into the applicant's bank account, the applicant will bear the applicable service charge, if any, of the applicant's banker, and the Asset Manager shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected."

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

1. A Non-Resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of units applied for through crossed bank cheque marking "Account Payee only".
2. The value of units applied for by such person may be paid in Taka or US dollar or UK pound sterling or Euro at the Spot Buying (TT Clean) rate of exchange prevailing on the date of opening of subscription.
3. Refund against oversubscription shall be made in the currency in which the value of units was paid for by the applicant through Account Payee bank cheque(s)/refund warrant(s) payable at Dhaka with bank account number, Bank's name and Branch as indicated in the units application form. If the applicants' bank accounts as mentioned in their Public Offer Application Forms are maintained with the Bankers to the Issue and other banks as mentioned above under "Refund of Subscription Money", refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their Public Offer Application Forms.

"Interested persons are entitled to a prospectus, if they so desire, and that copies of prospectus may be obtained from the asset management company"

## IFIL ISLAMIC MUTUAL FUND-1

### Application Form

APPLICATION FOR UNITS BY INVESTORS OTHER THAN NON RESIDENT BANGLADESHI(S)

**Warning:** Please read the instructions at the back of this form. Incorrectly filled applications may be rejected

The Chief Executive Officer  
**ICB Asset Management Company Limited**  
 BDBL Bhaban  
 8, Rajuk Avenue (15<sup>th</sup> floor)  
 Dhaka-1000.

Banker's Sl. No.
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Dear Sir,

I/We apply for and request you to allot me/us the ..... number of Units and I/we agree to accept the same or any smaller number that may be allotted to me/us upon terms of the Fund's approved Prospectus and subject to the Fund's Deed of Trust. Further, I/we authorize you to place my/our name(s) on the Register of Member(s) of the Fund and deposit the said units to my/our Depository (BO) Account and/or a crossed (A/C Payee Only) cheque in respect of any Application money refundable by post/courier at my/our risk to the first applicant's address stated below:

1. Number of Units ..... of Tk. 10.00 each at par.
2. Amount of Tk. (in figure) ..... Tk. (in words) ..... only deposited vide Cash/Cheque/Draft/Pay Order No. .... Date ..... on ..... Bank ..... Branch.

3. Depository (B/O) Account No. 

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**"(If you do not mention your valid Depository (BO account) number, your application will be treated invalid.)"**

4. I/we agree to fully abide by the instructions given herein.

5. **Particulars of Applicant(s)**

<b>Sole/First Applicant:</b> Mr./Mrs./Ms.		
Father's/Husband's Name:		
Mother's Name:		
Postal Address:		
Occupation:	Nationality:	Telephone No. (if any):
<i>For refund warrant (Application will not be treated as valid if any one uses a non-scheduled bank. To avoid this complication, investors are requested to use the scheduled bank account no. Please write the correct and full name of bank and branch:</i>		
<b>For refund warrant:</b> I/we want refund through <input type="checkbox"/> Bank Account* <input type="checkbox"/> Hand Delivery/Courier (Please put tick mark in which refund will be made)		
Applicant's Bank A/C No:		
Name of the Bank:		Branch:

*The applicant shall provide the same bank account number in the application form as it is in the BO account of the applicant. Otherwise the application will be considered invalid and the subscription money may be forfeited.*

<b>Second Applicant:</b> Mr./Mrs./Ms.		
Father's/Husband's Name:		
Mother's Name:		
Postal Address:		
Occupation:	Nationality:	Telephone No. (If any)

6. I/we hereby declare that I/we have read the Prospectus of **IFIL ISLAMIC MUTUAL FUND-1** and have willingly subscribed for ..... no. of units of Tk. 10.00 each.

7. **Specimen Signature(s):**

	NAME IN BLOCK LETTERS	SIGNATURE
Sole/First Applicant:		
Second Applicant:		

\*In case of deposit into the applicant's bank account, the applicant will bear the applicable service charge, if any, of the applicant's banker, and the asset management company shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected.

#### BANK'S ACKNOWLEDGEMENT

Certified that this Bank has received Tk. .... (in word ..... ) only from Mr./Mrs./Ms. .... being the application money for ..... nos. of units of **IFIL ISLAMIC MUTUAL FUND-1**.

Banker's SL. No.

Seal & Date

Authorized Signature  
(Name & Designation)

## IFIL ISLAMIC MUTUAL FUND-1 Instructions

1. As per provision of the ডিপজিটরি আইন, ১৯৯৯ and regulation made there under Mutual Fund units will only be issued in dematerialized condition. Please mention your Depository (BO) account number in the application form. If you do not mention your valid Depository (BO) account number, your application will be treated invalid.
2. All information must be typed or written in full (in block letters) in English or in Bengali and must NOT be abbreviated
3. Application must be made on the Fund's printed form/photocopy or typed copy/hand written form thereof.
4. Application must not be for less than **500** units and must be for a multiple of **500** units. Any application not meeting this criterion will not be considered for allotment purpose.
5. Remittance for the full amount of units must accompany each application and must be forwarded to any of the Bankers to the Issue. Remittance should be in the form of cash/cheque/bank draft/pay order payable to one of the Bankers to the Issue A/C "**IFIL ISLAMIC MUTUAL FUND-1**" and crossed "**A/C PAYEE ONLY**" and must be drawn on a bank in the same town as the bank to which the application form has been sent.
6. In the case of a Joint Application Form, the Allotment Letter will be dispatched to the person whose name appears first on this Application Form and where any amount is refundable in whole or in part the same will be refunded by Account Payee cheque by post/courier service to the person named first on this Application Form in the manner prescribed in the prospectus.
7. Joint Application form for more than two persons will not be accepted. In case of joint application, each party must sign the Application Form.
8. Application must be in full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Application from financial and market intermediary companies and Private Company must be accompanied by Memorandum and Articles of Association and Certificate of Incorporation.
9. **An applicant can NOT submit more than two applications, one in his/her own name and another 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, whole or part of application money may be forfeited by the Commission.**
10. No receipt will be issued for the payment made with the Application, but the bankers will issue a provisional acknowledgement to the issue for application lodged with them.
11. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their Unit Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their Unit Application Forms. Otherwise, refund will be made only through "**Account Payee**" cheque(s) / refund warrant(s) showing bank account number and name of bank and branch as mentioned in the application payable at Dhaka/Chittagong/Khulna/Rajshahi/Barisal/Sylhet/Bogra, as the case may be.
12. Allotment shall be made solely in accordance with the instructions of the SEC.
13. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the Application liable to **rejection** and subject to **forfeiture** of Application money and/or **forfeiture** of the unit before or after issuance of the same by the Asset Management Company. The said **forfeited** Application money or unit will be deposited in account specified by the SEC. This may be in addition to any other penalties as may be provided for by law.
14. Applications, which do not meet the above requirements, or Applications, which are incomplete, shall NOT be considered for allotment purpose.
15. The bankers to the issue shall be obliged to receive the A/C payee cheque (s) on the closing day of the subscription of the PUBLIC OFFER.
16. **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.**

## BANKERS TO THE ISSUE (Proposed)

(With Bank Branch Code)

<p><b>01. Investment Corporation of Bangladesh (ICB)</b></p> <p>01. Head Office, NSC Tower (12<sup>th</sup> – 13<sup>th</sup> Floors), 62/3, Purana Paltan, Dhaka.</p> <p>02. Chittagong Branch, Delwar Bhaban, Agrabad C/A Chittagong.</p> <p>03. Rajshahi Branch, Dr. Gaffar Plaza, Shaheb Bazar, Rajshahi.</p> <p>04. Khulna Branch, 25-26, KDA C/A, Khulna.</p> <p>05. Barisal Branch, 87-88, Hemayat Uddin Road, Barisal.</p> <p>06. Sylhet Branch, Chamber Building, Jail Road, Sylhet.</p> <p>07. Bogra Branch, Station Road, Satmatha, Bogra.</p> <p>08. Local Office Branch, 35/C, Naya Paltan, Dhaka.</p> <p><b>02. Bangladesh Development Bank Limited</b></p> <p>01. Kawran Bazar Branch, Kawran Bazar, Dhaka.</p> <p>02. Motijheel Branch, Motijheel, Dhaka.</p> <p>03. Principal Branch, Motijheel, Dhaka.</p> <p><b>03. IFIC Bank Ltd.</b></p> <p>01. Federation Branch, FBCCI Building, Dhaka.</p> <p>02. Dhanmondi Branch, Mirpur Road, Dhaka.</p> <p>03. Gulshan Branch, Gulshan Avenue, Dhaka.</p> <p>04. Banani Branch, Banani, Dhaka.</p> <p>05. Shantinagar Branch, Chamelybag, Dhaka.</p> <p>06. Elephant Road Branch, Dhaka.</p> <p>07. Islampur Branch, Dewan Mansion, Dhaka.</p> <p>08. Kawran Bazar Branch, Dhaka.</p> <p>09. Naya Paltan Branch, Dhaka.</p> <p>10. Uttara Branch, Dhaka.</p> <p>11. Malibagh Branch, Dhaka.</p> <p>12. Pallabi Branch, Dhaka.</p> <p>13. Lalmatia Branch, Dhaka.</p> <p>14. Narsingdi Branch, C &amp; B Road, Narsingdi.</p> <p>15. North Brook Hall Road Branch, Dhaka</p> <p>16. Narayanganj Branch, Narayanganj.</p> <p>17. Faridpur Branch, Faridpur.</p> <p>18. Mymensingh Branch, Mymensingh.</p> <p>19. Agrabad Branch, Chittagong.</p> <p>20. Khatungonj Branch, Chittagong.</p> <p>21. Chawk Bazar Branch, College Road, Chittagong.</p> <p>22. Cox's Bazar Branch, Cox's Bazar.</p> <p>23. Sheikh Mujib Road Branch, Chittagong.</p> <p>24. Comilla Branch, Comilla.</p> <p>25. Brahmanbaria Branch, Brahmanbaria.</p> <p>26. Choumuhani Branch, Choumuhani, Noakhali.</p> <p>27. Feni Branch, Islampur Road, Feni.</p> <p>28. Rajshahi Branch, Ghoramara, Rajshahi.</p> <p>29. Rangpur Branch, Rangpur.</p> <p>30. Bogra Branch, Satmatha Bogra.</p> <p>31. Pabna Branch, Pabna.</p> <p>32. Dinajpur Branch, Dinajpur.</p> <p>33. Khulna Branch, Lower Jossore Road, Khulna.</p> <p>34. Boro Bazar Branch, Kalibari, Khulna.</p> <p>35. Jessore Branch, N.S.C Road, Jessore.</p> <p>36. Kushtia Branch, Kushtia.</p> <p>37. Barisal Branch, Barisal.</p> <p>38. Sylhet Branch, Laldighirpar, Sylhet.</p> <p>39. Moulvi Bazar Branch, Moulvi Bazar.</p> <p>40. Uposhohor Branch, Sylhet.</p> <p><b>04. National Bank Ltd.</b></p> <p>01. Agrabad Branch, Chittagong.</p> <p>02. Anderkillah Branch, Chittagong.</p> <p>03. Babubazar Branch, Dhaka.</p> <p>04. Banani Branch, Dhaka.</p> <p>05. Bangshal Road Branch, Dhaka.</p> <p>06. Barishal Branch, Barishal.</p> <p>07. Bogra Branch, Bogra.</p> <p>08. Chawk Bazar Branch, Chittagong.</p> <p>09. Comilla Branch, Comilla.</p> <p>10. Dhanmondi Branch, Dhaka.</p> <p>11. Dilkusha Branch, Dhaka.</p> <p>12. Elephant Road Branch, Dhaka.</p> <p>13. Faridpur Branch, Faridpur.</p> <p>14. Feni Branch, Feni.</p> <p>15. Foreign Exchange Branch, Dhaka.</p> <p>16. Gazipur Branch, Gazipur.</p> <p>17. Gulshan Branch, Dhaka.</p> <p>18. Imamganj Branch, Dhaka.</p> <p>19. Islampur Branch, Dhaka.</p> <p>20. Jatrabari Branch, Dhaka.</p> <p>21. Jubilee Road Branch, Chittagong.</p> <p>22. Kawran Bazar Branch, Dhaka.</p> <p>23. Khatungonj Branch, Chittagong.</p> <p>24. Khulna Branch, Khulna</p> <p>25. Lake Circus Branch, Dhaka.</p> <p>26. Malibagh Branch, Dhaka.</p>	<p>27. Mirpur Branch, Dhaka.</p> <p>28. Mohakhali Branch, Dhaka.</p> <p>29. Mohammadpur Branch, Dhaka.</p> <p>30. Motijheel Branch, Dhaka.</p> <p>31. Narayanganj Branch, Narayanganj.</p> <p>32. Narsingdi Branch, Narsingdi.</p> <p>33. North Brook Hall Branch, Dhaka.</p> <p>34. Pagla Bazar Branch, Narayanganj.</p> <p>35. Pahartali Branch, Chittagong.</p> <p>36. Pragati Sarani Branch, Dhaka.</p> <p>37. Rajshahi Branch, Rajshahi.</p> <p>38. Rangpur Branch, Rangpur.</p> <p>39. Savar Bazar Branch, Dhaka.</p> <p>40. Sheikh Mujib Road Branch, Chittagong.</p> <p>41. Sylhet Branch, Sylhet.</p> <p>42. Tangail Branch, Tangail.</p> <p>43. Uttara Branch, Dhaka.</p> <p>44. Z H Sikder M. C. Branch, Dhaka.</p> <p><b>05. Shahjalal Islami Bank Ltd.</b></p> <p>01. Dhaka Main Branch, Dilkusha C/A, Dhaka.</p> <p>02. Mitford Branch, Mitford Road, Dhaka.</p> <p>03. Dhanmondi Branch, Dhanmondi R/A, Dhaka.</p> <p>04. Beani Bazar Branch, Beani Bazar, Sylhet.</p> <p>05. Agrabad Branch, Agrabad C/A, Chittagong.</p> <p>06. Sylhet Branch, Bandar Bazar, Sylhet.</p> <p>07. Khatungonj Branch, Khatungonj, Chittagong.</p> <p>08. Gulshan Branch, H# 40/5, North Avenue, Gulshan Dhaka.</p> <p>09. Foreign Exchange Branch, Motijheel C/A, Dhaka.</p> <p>10. Joydevpur Chowrasta Branch, Joydevpur Chowrasta, Gazipur.</p> <p>11. Kawran Bazar Branch, Kawran Bazar, Dhaka.</p> <p>12. Darga Gate Branch, Kotwali, Sylhet.</p> <p>13. Uttara Branch, Uttara Model Town, Dhaka.</p> <p>14. Bangshal Branch, Bangshal Road, Dhaka.</p> <p>15. Baipail (DEPZ) Branch, Savar, Dhaka.</p> <p>16. Narayanganj Branch, S.M. Maleh Road, Narayanganj.</p> <p>17. Satmosjid Road Branch, Dhanmondi, Dhaka.</p> <p>18. Banani Branch, Banani, Dhaka.</p> <p>19. Moulvi Bazar Branch, Moulvibazar.</p> <p>20. Joypara Branch, Dohar, Dhaka.</p> <p>21. Jubilee Road Branch, Chittagong.</p> <p>22. Motijheel Branch, Motijheel C/A, Dhaka.</p> <p>23. Mirpur Branch, Mirpur, Dhaka.</p> <p>24. Khulna Branch, KDA Avenue, Khulna.</p> <p>25. Savar Branch, Savar, Dhaka.</p> <p>26. Muradpur Branch, Panchlaish, Chittagong.</p> <p>27. Bijoynager Branch, Dhaka.</p> <p>28. Saidpur Branch, Saidpur, Nilphamari.</p> <p>29. Vatar Branch, Dhaka.</p> <p>30. Keranigonj Branch, Dhaka.</p> <p>31. Jessore Branch, Jessore.</p> <p>32. Rajshahi Branch, Rajshahi.</p> <p><b>06. Eastern Bank Ltd.</b></p> <p>01. Principal Branch, Dilkusha, Dhaka.</p> <p>02. Motijheel Branch, Motijheel, Dhaka</p> <p>03. Mirpur Branch, Dhaka.</p> <p>04. Bashundhara Branch, Dhaka.</p> <p>05. Shamoli Branch, Dhaka</p> <p>06. Narayanganj Branch.</p> <p>07. Agrabad Branch, Chittagong.</p> <p>08. Khulna Branch</p> <p>09. Bogra Branch, Bogra.</p> <p>10. Khatungonj Branch, Chittagong.</p> <p>11. Rajshahi Branch, Rajshahi.</p> <p><b>07. Dhaka Bank Ltd.</b></p> <p>01. Local Office, Adamjee Court, Dhaka.</p> <p>02. Bangshal Branch, Dhaka.</p> <p>03. Imamgonj Branch, Dhaka.</p> <p>04. Islampur Branch, Dhaka</p> <p>05. Uttara Branch, Dhaka</p> <p>06. Foreign Exchange Branch, Dhaka.</p> <p>07. Dhanmondi Branch, Dhaka.</p> <p>08. Kawran Bazar Branch, Dhaka</p> <p>09. Narayanganj Branch, Narayanganj.</p> <p>10. Amin Bazar Branch, Savar, Dhaka.</p> <p>11. Islami Banking Branch, Motijheel, Dhaka.</p> <p>12. Laldighirpar Branch, Sylhet.</p> <p>13. Agrabad Branch, Chittagong.</p> <p>14. Jubilee Road Branch, Chittagong.</p> <p>15. Khatungonj Branch, Chittagong</p> <p>16. Cox's Bazar Branch, Cox's Bazar.</p>	<p><b>08. Standard Bank Ltd.</b></p> <p>01. Principal Branch, Dhaka.</p> <p>02. Foreign Exchange Branch, Dhaka.</p> <p>03. Topkhana Road Branch, Dhaka.</p> <p>04. Imamgonj Branch, Dhaka.</p> <p>05. Gulshan Branch, Dhaka.</p> <p>06. Dhanmondi Branch, Dhaka.</p> <p>07. Mirpur Branch, Mirpur, Dhaka.</p> <p>08. Uttara Branch, Dhaka.</p> <p>09. Gulshan-1 Branch, Dhaka.</p> <p>10. Panthapath Branch, Dhaka.</p> <p>11. Banani Branch, Dhaka.</p> <p>12. Narayanganj Branch, Narayanganj.</p> <p>13. Munshikhola Branch, Dhaka.</p> <p>14. Jubilee Road Branch, Chittagong.</p> <p>15. Agrabad Branch, Chittagong.</p> <p>16. Khatungonj Branch, Chittagong.</p> <p>17. CDA Avenue Branch, Chittagong.</p> <p>18. Bahaddar Hat Br., Chittagong.</p> <p>19. Sylhet Branch, Sylhet.</p> <p>20. Khulna Branch, Khulna.</p> <p>21. Rajshahi Branch, Rajshahi.</p> <p>22. Jessore Branch, Jessore.</p> <p><b>09. Mutual Trust Bank Limited</b></p> <p>01. Principal Branch, WW Tower (1<sup>st</sup> - 3<sup>rd</sup> Floor), 68, Motijheel C/A Dhaka-1000.</p> <p>02. Panthapath Branch, Chandrashila Suvastu Tower, 69/1 Panthapath, Dhaka.</p> <p>03. Dilkusha Branch, MNSN Tower, 60, Dilkusha C/A, Dhaka-1000.</p> <p>04. Babu Bazar Branch, Aman Court, 1<sup>st</sup> Floor, 15, Armanian Street, Armanitola, Dhaka-1100.</p> <p>05. Fulbaria Branch, Annexco Tower, 8 Phonix Road, Fulbaria, Dhaka.</p> <p>06. Dholaikhal Branch, 25, Jorpool Lane, Dholaikhal New Road, Dhaka.</p> <p>07. Uttara Model Town Branch, House # 41, Road # 7, Sector # 4, Uttara, Dhaka.</p> <p>08. Dhanmondi Branch, Green Taj Center (1<sup>st</sup> Floor), Plot # 81, Road # 8A New, Dhanmondi, Dhaka.</p> <p>09. Progati Sarani Branch, 15/5, Progati Sarani, Dhaka.</p> <p>10. Pallabi Branch, 14/11 Pallabi, Mirpur-12, Dhaka.</p> <p>11. Gulshan Branch, House-50, Road-3, Plot-SWH-7, South Avenue, Gulshan, Dhaka.</p> <p>12. Banani Branch, Rupsha Center (Ground &amp; 1<sup>st</sup> Floor), House-72, Road-11, Block-D, Banani, Dhaka.</p> <p>13. Agrabad Branch, Aktharuzzaman Center, 21-22, Agrabad C/A, Chittagong.</p> <p>14. CDA Avenue Branch, 1005/2/1872, CDA Avenue, East Nasirabad, Chittagong.</p> <p>15. Jubilee Road Branch, 214 Jubilee Road, Chittagong.</p> <p>16. Khatungonj Branch, 325 Crown Chamber, Asadgani, Chittagong.</p> <p>17. Sylhet Branch, Sylhet City Center, Zindabazar, Sylhet.</p> <p>18. Moulvi Bazar Branch, 103 M. Saifur Rahman Road, Moulvi Bazar.</p> <p>19. Pabna Branch, Abdul Hamid Road, Dilalpur, Pabna.</p> <p>20. Narayanganj Branch, 31,3/1, Loyal Tank Road, Tanbazar, Noor Mansion, Narayanganj.</p> <p>21. Savar Branch, United Super Market, Savar Bazar, Bus Stand, Savar.</p> <p>22. Rangpur Branch, Mostafa Super Market (1<sup>st</sup> &amp; 2<sup>nd</sup> Floor), 1 Jahaj Company Mour, Rangpur Sadar, Rangpur.</p> <p>23. Kushtia Branch, Eden Complex, 169 (94/6 Old) NS Road 1<sup>st</sup> Floor, Thanapara, Kushtia.</p> <p>24. Bogra Branch, Amicus Center, Mofiz Paglar Moar, 416-418, Sutrapur Raod, Bogra.</p> <p>25. Rajshahi Branch, 419, Parents Plaza, Alupatty, Ghoramara, Rajshahi.</p> <p>26. Feni Branch, Hazi Idris Plaza, 612, Islampur Road, Boro Bazar, Feni.</p> <p>27. Alankar Mour Branch, D.T. Road, Abdul ali Hat, Alankar Mour, North Pahartali, Chittagong.</p>
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## IFIL ISLAMIC MUTUAL FUND-1 Instructions

1. As per provision of the ডিপজিটরি আইন, ১৯৯৯ and regulations made there under Mutual Fund units will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) Account number in the Application form. If you do not mention your valid BO (Beneficiary Owner) Account, your application will be treated invalid.
2. All information must be written or typed in Block Letters in English and must NOT be abbreviated.
3. Application must not be for less than **500** Units and must be for a multiple of **500** Units. Any Application not meeting this criterion will not be considered for allotment purpose.
4. Application must be accompanied by a foreign demand draft drawn on a bank payable at Dhaka or cheque drawn out of foreign currency deposit account maintained in Bangladesh for the full value of units favouring “**IFIL ISLAMIC MUTUAL FUND-1**” and crossed “**ACCOUNT PAYEE ONLY**”.
5. Application shall be sent by the applicant directly to the ICB Asset Management Company Limited within **30-09-2010**, so as to reach the Asset Management Company within **09-10-2010**. No Application sent after **30-09-2010** or received by the ICB Asset Management Company Limited after **09-10-2010** will be considered for allotment purpose.
6. Refund against over-subscription shall be made in the currency in which the value of Units was paid for by the applicant through Account Payee Cheque payable at Dhaka with bank account number, Bank's name and Branch.
7. **Public Offer Distribution System:**
  - a. **Units of Tk. 5,00,00,000.00 (five crore) only** of total public offering shall be reserved for non-resident Bangladeshi (NRB) and **units of Tk. 5,00,00,000.00 (five crore) crore** for mutual funds and collective investment schemes registered with the Commission, and the remaining units of **Tk. 40,00,00,000.00 (forty crore) only** shall be open for subscription by the general public.
  - 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 Securities and Exchange Commission.
  - c. In case of **over subscription under any of the 3 (three) categories** mentioned in para (a), the Asset Management Company shall conduct an open lottery of all the applications received under each category **separately** in accordance with the SEC's instructions.
  - d. In case of **under-subscription** under any of the 2 (two) categories [i.e. **units of Tk. 5,00,00,000.00 (five crore) only for NRB and units of Tk. 5,00,00,000.00 (five crore) only for Mutual Funds**] mentioned in para (a), the unsubscribe portion shall be added to the **general public category [units of Tk. 40,00,00,000.00 (forty crore) only]** and if after such addition, there is over subscription in the general public category, the Asset Management Company shall conduct an open lottery of all the applicants added together.
  - e. The lottery as stated in para (c) and (d) shall be conducted in presence of the authorized representatives of the Stock Exchange(s) concerned, Sponsor, Asset Management Company, Trustee and the applicants.
8. All the applicants shall first be treated as applied for one minimum lot. 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. On the other hand, if there is under subscription, then all the applicants shall first be distributed with a single lot and thereafter, for the balance amount, lottery, shall be held for the applicants who have applied for multiple lots on the basis of dividing the application money by amount of a market lot separately for both NRB and General Public.
9. Joint application by two persons will be acceptable. In such a case, allotment or refund shall be made by post to the first applicant.
10. Application must be made by an individual, a corporation or company, a trust or a society and not by a firm, minor or persons of unsound mind.
11. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the Application liable to **rejection** and subject to **forfeiture** of Application money and/or **forfeiture** of the unit before or after issuance of the same by the Asset Management Company. The said **forfeited** Application money or unit will be deposited in account specified by the Securities and Exchange Commission (SEC). This may be in addition to any other penalties as may be provided for by law.
12. The intending NRB applicants shall deposit unit money by US \$ /UK Pound sterling /Euro draft drawn on and payable in Dhaka, Bangladesh, or through a nominee by paying out of foreign currency deposit account or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, so that the Asset Management Company collecting bank can clear the proceeds and deposit the same into Asset Management Company's bank account in time.
13. Spot buying rate (TT Clean) in US Dollar, UK Pound Sterling and Euro of Sonali Bank Ltd. as prevalent on the date of opening of subscription will be applicable for the Non-Resident Bangladeshi (NRB) applicants.
14. **The applicant shall furnish photocopies of relevant pages of valid passport(s) in support of his being a NRB, dual citizenship or of the foreign passport bearing an endorsement from the concerned Bangladeshi Embassy to the effect that no visa is required for him to travel to Bangladesh.**
15. In case of joint NRB application joint applicant shall also submit supporting papers/documents in support of their being an NRB as mentioned in para-14 above.
16. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their Unit Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their Unit Application Forms. Otherwise, refund will be made only through “**Account Payee**” cheque(s) / refund warrant(s) showing bank account number and name of bank and branch as mentioned in the application payable at Dhaka as the case may be.
17. **An applicant cannot submit more than two applications, one in his/her own name and another 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, whole or part of application money may be forfeited by the Commission.**
18. 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.

**THE NRB APPLICATION ALONG WITH THE FOREIGN CURRENCY DRAFT/ PAY ORDER, AS ABOVE, IS TO BE SUBMITTED TO THE ASSET MANAGEMENT COMPANY'S HEAD OFFICE DIRECTLY WITHIN THE STIPULATED TIME MENTIONED IN PARA- 5.**