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*Prospective investors are cautioned that this document is unique of its kind in terms of format, technicalities, disclosure, contents and other criteria. Therefore, kindly peruse this document to comprehend its contents before making any investment decision.*

*If you have any question or confusion about the Prospectus, you may please consult your stockbroker, solicitor, accountant or other professional financial advisor.*

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## **P R O S P E C T U S**

*for*

**PUBLIC OFFER OF 15,341,000 UNITS OF TK10 EACH AT PAR OF**

### **GRAMEEN ONE : SCHEME TWO**

*the Second Scheme of*

### **Grameen Mutual Fund One**

*a growth mutual fund scheme with*

**125,000,000 units of Tk10 each totaling Tk1,250,000,000**

**Sponsor:**

**Grameen Bank**

**Trustee:**

**Grameen Fund**

**Custodian:**

**Standard Chartered Bank**

**Asset Management Company:**

**Asset & Investment Management Services of Bangladesh Limited  
(AIMS of Bangladesh Limited)**

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**SUBSCRIPTION OPENS: June 30, 2008**

**SUBSCRIPTION CLOSES: July 14, 2008**

***Subscription closes for Non-Residents: July 23, 2008***

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***Date of Publication of Prospectus: June 05, 2008***

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## Fund Directory

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<b>Registered Office</b>	AIMS of Bangladesh Limited Unique Trade Center (UTC) 8 Panthopath (Level 6) Karwan Bazar, Dhaka 1215 Bangladesh  Phones : +(880-2) 913 6432-4 (three lines) Fax : +(880-2) 913 6162-3 (two lines) e-Mail : hello@aims-bangladesh.com Web : www.aims-bangladesh.com	<b>Sponsor</b>	Grameen Bank Grameen Bank Complex Mirpur 2, Dhaka 1216 Bangladesh
<b>Auditors</b>	Hoda Vasi Chowdhury and Co. <i>Chartered Accountants</i> BTMC Bhaban (8 <sup>th</sup> level) 7-9 Karwan Bazar, Dhaka 1215 Bangladesh	<b>Trustee</b>	Grameen Fund Grameen Bank Complex Mirpur 2, Dhaka 1216 Bangladesh
<b>Legal Advisor</b>	Mirza Quamrul Hasan <i>Advocate</i> Advisor's Legal Alliance 35/A Purana Paltan Line VIP Road, Dhaka 1000 Bangladesh	<b>Custodian</b>	Standard Chartered Bank 18-20 Motijheel CA Dhaka 1000 Bangladesh
<b>Bankers</b>	Mutual Trust Bank Limited The City Bank Limited Southeast Bank Limited Standard Chartered Bank	<b>Investment Manager</b>	AIMS of Bangladesh Limited Unique Trade Center (UTC) 8 Panthopath (Level 6) Karwan Bazar, Dhaka 1215 Bangladesh

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## Abbreviations and Definitions

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“AIMS”	Asset & Investment Management Services (AIMS) of Bangladesh Limited
“AMC”/“Asset Management Company”/“Fund Manager”/“Investment Manager”	AIMS, which is the Investment Manager of the Fund and its various Schemes
“BO”	Beneficiary Owner
“CDBL”	Central Depository of Bangladesh Limited
“CDS”	Central depository system
“Commission”	Securities and Exchange Commission
“CSE”	Chittagong Stock Exchange
“Custodian”	Standard Chartered Bank
“DER”	Dividend equalization reserve
“DSE”	Dhaka Stock Exchange
“EPS”	Earning per share
“FC”	Foreign currency
“FIS”	Fixed-income securities
“FISIR”	Fixed-income securities investment reserve
“Fund”	Grameen Mutual Fund One
“GMFO”	Grameen Mutual Fund One
“Grameen One”	First scheme of Grameen Mutual Fund One
“Grameen One: Scheme Two”	Second scheme of Grameen Mutual Fund One
“NAV”	Net asset value
“NRB”	Non-resident Bangladeshi
“PE”	Price earning
“Rules”	Securities and Exchange Commission (Mutual Fund) Rules 2001
“SCB”	Standard Chartered Bank
“Scheme”	“Grameen One: Scheme Two”, the second scheme of Grameen Mutual Fund One
“Share”	Unit of the Scheme
“Sponsor”	Grameen Bank, which has provided the seed capital of the mutual fund and the schemes
“Trustee”	Grameen Fund, which is the guardian of the Fund, held in Trust for the benefit of the unitholders
“TT”	Telegraphic transfer
“Unit”	Share in the Scheme
“Unitholder”	Shareholder of the Scheme

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## Highlights

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<b>Features</b>	<b>Description</b>
<b>Fund name</b>	Grameen Mutual Fund One
<b>Scheme name</b>	Grameen One: Scheme Two
<b>Scheme size</b>	Tk1,250,000,000 (Taka one billion and two hundred fifty million) divided into 125,000,000 (one hundred twenty five million) units at par value of Tk10 each
<b>Face value</b>	Tk10 of one unit each
<b>Nature</b>	Close-end Mutual Fund Growth Scheme with 15 years tenure
<b>Objective</b>	To achieve capital appreciation as well as earn dividend and interest income
<b>Target investors</b>	Individuals, institutions, mutual funds and NRBs are eligible to apply for investment in the Fund
<b>Target amount</b>	Tk1,250,000,000 (Taka one billion and two hundred fifty million) including contribution of Sponsor, entitlement for existing unitholders of the Fund and institutional private placement
<b>Dividend</b>	Being a 'Growth Scheme', the Scheme shall distribute at least 50% of the 'Annual Income' <sup>1</sup> of the Scheme, as dividend, at the end of each accounting year, net of provisions
<b>Mode of distribution</b>	Dividend warrants will be dispatched within 45 days from the declaration of such dividends
<b>Transferability</b>	Units are freely transferable; the transfer will be made by the CDBL under electronic settlement system
<b>Tax exemption</b>	Investment in the Scheme by an individual assessee will qualify for investment tax credit under Section-44(2) of the Income Tax Ordinance, 1984, besides, dividend, interest and capital gains of the Scheme shall be fully tax-exempt under the Sixth Schedule, Part A, Para-30 of the Income Tax Ordinance, 1984
<b>Accounts and information</b>	The unitholders of the Scheme are entitled to receive the audited Annual Reports of the Scheme in addition to the monthly publication of the NAV of the Scheme in the newspapers and online at the Stock Exchanges

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<sup>1</sup>Before declaring dividend the Fund shall provide for depreciation on investments, appropriate provision for obligatory investment (e.g. 75% of the Scheme to be invested in the capital market, etc), and also make a provision for bad and doubtful investments to the satisfaction of the Auditors and shall create a DER and a likely FISIR by appropriation from the income of the Fund.

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## Preliminary

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### Publication of the Prospectus for Public Offer

'Grameen One: Scheme Two' is the second Scheme of the '*Grameen Mutual Fund One*' that was established as a Trust under the Trust Act 1882 and registered with the Sub-Registrars Office under the Registration Act 1908 on May 09, 2001. The Fund received Registration Certificate from the Securities and Exchange Commission (SEC) on August 28, 2001 under the Securities and Exchange Commission Act 1993, and the Securities and Exchange Commission (Mutual Fund) Rules 2001, made thereunder. '*Grameen One*', the first scheme of the Fund received consent for issuing Prospectus for Public Offer from the SEC on June 27, 2005. That scheme was listed with the stock exchanges on September 04, 2005. 'Grameen One: Scheme Two', the second scheme of the *Grameen Mutual Fund One*, has now received consent for issuing Prospectus for Public Offer from the SEC on June 03, 2008. A complete copy of the approved Prospectus of the Public Offer is available for inspection at the registered office of the Fund.

### Approval of the Securities and Exchange Commission

*"CONSENT OF THE SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND SECURITIES AND EXCHANGE COMMISSION (MUTUAL FUND) RULES, 2001. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT, THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE FUND, ANY OF ITS SCHEMES OR THE ISSUE PRICE OF ITS SHARE OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM, RESPONSIBILITY FOR WHICH LIES WITH THE ASSET MANAGER, TRUSTEE, SPONSOR, CUSTODIAN AND/OR AUDITORS.*

*IT IS, HOWEVER, THE SECURITIES AND EXCHANGE COMMISSION'S RESPONSIBILITY TO ENSURE THAT FULL AND FAIR DISCLOSURES ARE MADE IN THE PROSPECTUS IN TERMS OF THE MUTUAL FUND RULE 2001, SO THAT THE INVESTORS CAN MAKE INFORMED INVESTMENT DECISIONS."*

### Listing of the Scheme

Application shall be made to both Dhaka and Chittagong Stock Exchanges within 9 (nine) days of the issue of the Prospectus for listing of the Scheme for dealing on the stock market and for their quotation on the Stock Exchanges.

***The Scheme intends to commence trading on the bourses within 10 (ten) working days from conduct of lottery for allotment against the public subscription.***

If, for any reason, the application for listing is not accepted by both of the Stock Exchanges within 75 (seventy five) working days from the closure of subscription, allotment of units shall be void, and the Fund shall refund the subscription money within 15 (fifteen) working days from the expiry of 75 (seventy five) working days of closing of the subscription list.

### Issuance of securities in dematerialized form

As per provisions of the Depository Act 1999, and regulations made thereunder, the units of the Scheme shall be issued in dematerialized form only and for the purpose, the Fund has signed an agreement with the Central Depository of Bangladesh Limited (CDBL). Therefore, all transfers, transmissions, and splitting or conversions will take place only under the CDBL system. No paper certificate will be issued to any successful applicant. ***The units shall be credited directly to the successful BO accounts within 72 (seventy two) hours of the conduct of allotment lottery.***

### Documents available for inspection

Copies of the Trust Deed, the Investment Management Agreement and the Prospectus<sup>2</sup> may be inspected during the usual office hours on any business day at AIMS of Bangladesh Limited, Unique Trade Center (UTC), 8 Panthopath (Level 6), Karwan Bazar, Dhaka 1215, Bangladesh during the period of 10 (ten) days from the date of this Prospectus.

### Declaration about the responsibility of the Sponsor

The Sponsor, whose name appears in this Prospectus, accept the responsibility for the information contained in this document as regards the objectives of the Fund. To the best of the knowledge and belief of the Sponsor, who has taken all reasonable care to ensure that such is the case, the information contained in this document, drawn up by virtue of the Trust Deed of the Fund by the entrusted asset management company, is in accordance with the Rules and facts, and does not omit anything likely to affect any informed investment decision.



### **PROFESSOR MUHAMMAD YUNUS**

Managing Director  
Grameen Bank

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

This Prospectus has been prepared by us based on the Trust Deed, Investment Management Agreement, and examination of other materials as relevant for adequate disclosure of the Fund's objective and investment strategies to the investors and we confirm that (a) the Prospectus forwarded to the Commission is in conformity with the documents, materials and papers related to the offer, (b) all the legal requirements of the issue have been duly complied with, and (c) the disclosures made are true, fair and adequate to enable the investors to make a well-informed investment decision. Investors should be aware that the value of an investment under the Fund might go down as well as up. Accordingly, no guarantee can be given as to the return or earning of any investment made. Like any other equity investment, the investment in the Scheme is only suitable for investors who are willing to accept a moderate degree of risk. Attention is particularly drawn to the "Risk Factor" detailed at Chapter 4, which must be taken into cognizance by any prospective investor.



### **YAWER SAYEED**

Managing Director and CEO  
AIMS of Bangladesh Limited

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<sup>2</sup> Printed copies of the Prospectus are available with the Members of the Stock Exchanges, Bankers to the Issue and at the office of AIMS of Bangladesh Limited. The Prospectus is also available at the websites of the SEC <[www.secbd.org](http://www.secbd.org)>, Grameen Bank <[www.grameen.com](http://www.grameen.com)> and AIMS of Bangladesh Limited <[www.aims-bangladesh.com](http://www.aims-bangladesh.com)>.

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# Chapter 1

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## PUBLIC OFFER

### Conditions of Public Offer

#### PART-A

- (1) The Fund/Scheme shall go for Public Offer for 15,341,000 (fifteen million and three hundred forty one thousand) units of Taka 10 each at par worth Tk153.41 million (one hundred fifty three million and forty one thousand) following the Securities & Exchange Commission (Mutual Fund) Rules, 2001, the Securities & Exchange Commission (Public Issue) Rules, 2006, Depository Act, 1999 and regulations issued there under.
- (2) The prospectus as vetted by Securities & Exchange Commission (hereinafter referred to as Commission), shall be published in two widely circulated national daily newspaper (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);
- (3) Sufficient copies of prospectus shall be made available by the Asset Management Company (hereinafter referred to as AMC) 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 AMC. The subscription application shall indicate in bold type that no sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until 25 (twenty five) days after the prospectus has been published.
- (4) The AMC shall 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 Mission 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 publications date by express mail service (EMS) of the postal department. A compliance report shall be submitted in this respect to the SEC by the AMC within 3 (three) working days from the date of said dispatch of the prospectus & the forms.
- (5) The paper clipping of the published prospectus and all other published documents/notices regarding the Fund/Scheme shall be submitted to the Commission within 24 (twenty Four) hours of publication thereof;
- (6) The AMC shall submit 40 (forty) copies of the printed prospectus, along with a diskette prepared in "MS WORD" containing the prospectus, as vetted by SEC, to the Commission for official record within 5 (five) working days from the date of publication of the prospectus in the newspaper.
- (7) The Asset Management Company shall also open FC account(s) to deposit the application money of the non-Resident Bangladeshis (NRBs) for Public Offering purpose, and shall incorporate full particulars of said FC account(s) in the prospectus. 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."
- (8) 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 15 (fifteen) days.
- (9) Application shall be sent by the NRB applicants directly to the Asset Management Company (AMC) within the closing date of the subscription so as to reach the same to the AMC by the closing date plus 9 (nine) days. Applications received by the AMC after the above mentioned time period will not be considered for allotment purpose.
- (10) The AMC shall apply the spot buying rate (TT Clean) in US\$, UK Pound Sterling and Euro of Sonali Bank, 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 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 AMC 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 AMC shall ensure prompt collection/ clearance of the foreign remittances of NRBs for allotment of units without any difficulty/complain.
- (13) The AMC shall provide SEC with the preliminary status of the subscription within one week from closure of the subscription date, and also the list of valid and invalid applicants (i.e. final status of subscription) to the Commission within 3 (three) weeks after the closure of the subscription date including bank statement (original), branch-wise subscription statement, NRB application forms (photocopy attached by CEO/Authorized Person of the AMC) regarding collection of public offer money. The final list of valid and invalid applicants shall be finalized after examining with CDBL in respect of BO accounts and particulars thereof.
- (14) The public offering shall stand cancelled and the application money shall be refunded immediately (but not later than 30 (thirty) days 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% of the targeted amount of Tk1.25 billion (taka one billion and two hundred fifty million) under Rule 48 of the Securities & Exchange Commission (Mutual Fund) Rules, 2001 is not subscribed.
- (15) Public offer distribution system:
  - a. Units of Tk15.34 million (fifteen million three hundred forty one thousand) of total public offering shall be reserved for non-resident Bangladeshi (NRB) and units of Tk15.34 million (fifteen million three hundred forty one thousand) for mutual funds and collective investment schemes registered with the Commission, and the remaining units of Tk122.73 million (one hundred twenty two million and seven hundred thirty thousand) 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 AMC subject to any restriction, which may be imposed from time to time by the Commission.
  - c. In case of over subscription under any of the 3 (three) categories mentioned in para (a), the Asset Management Company (AMC) shall conduct and open lottery of all the application 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 Tk15.34 million (fifteen million three hundred forty one thousand) and units of Tk15.34 million (fifteen million three hundred forty one thousand) mentioned in para (a), the unsubscribed portion shall be added to the general public category [units of Tk122.73 million (one hundred twenty two million seven hundred thirty thousand) and, if after such addition, there is over subscription in the general public category, the AMC shall conduct and open lottery of all the application 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, AMC, Trustee and the applicants.
- (16) Lottery (if applicable) will be held within 3 (three) weeks from closure of the subscription date.
- (17) The AMC shall issue unit allotment letters to all successful applicants within 30 (thirty) days from the date of the subscription closing date. Within the same time, refund of the application money shall be made to unsuccessful applicants in the currency in which the value of units was paid for through direct deposit to the applicants bank account as far as possible/Account Payee Cheque/Refund Warrants mentioning bank account number, bank name and branch name as indicated in the securities application form payable at Dhaka/Chittagong/ Khulna/Rajshahi/Barisal/Sylhet/Bogra as the case may be. In this regards a compliance report shall be submitted to the Commission within 7 (seven) days from the date of completion of the allotment of units and refund warrants (if applicable).
- (18) The AMC 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.
- (19) Unit Certificates for 1/10th of the Sponsors contribution amounting Tk25m (taka twenty five million) shall be subject to a lock-in for the whole life of the Fund/Scheme;
- (20) IF the AMC fails to collect the minimum 60% of the targeted amount under Rule 48 of Securities & Exchange Commission (Mutual Fund) Rules, 2001, it will refund the subscription money within 30 (thirty) days from the closure of subscription without any deduction. In case of failure, the AMC shall refund the same with interest @ 18% per annum from its own account within the next month;
- (21) In case of over subscription, the excess amount shall be refunded within 30 (thirty) days from the closure of subscription period, failing which the AMC will refund the same with an interest @ 18 % per annum from its own account within the next month;
- (22) The AMC shall publish a notice through the newspaper to all successful applicants within 30 (thirty) days from the closing of subscription for collection of allotment letters;

- (23) The AMC shall apply for listing of the Fund/Scheme with stock exchange(s) within 9 (nine) days of first publication of prospectus;
- (24) Declaration about Listing of Fund/Scheme with the Stock Exchange(s):
- (25) "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.
- (26) 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.
- (27) 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."
- (28) Letter informing allotment shall be issued within 30 (thirty) days from the closure of subscription;
- (29) The Fund/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.;
- (30) The Fund/Scheme shall not be involved in option trading, short selling or carry forward transactions;
- (31) The annual report or its abridged version of the Fund/Scheme shall be published within 45 (forty-five) days of the closure of each accounting year of the Fund/Scheme;
- (32) An annual report and details of investment and savings of the Fund/Scheme shall be submitted to the Commission, Trustee and Custodian of the Fund/Scheme within 90 (ninety) days from the closure of the accounts;
- (33) Half-yearly accounts/ financial results of the Fund/Scheme shall be submitted to the Commission and the stock exchanges and published in at least one widely circulated Bangla national daily newspaper within 30 (thirty) days from end of the period;
- (34) 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;
- (35) Net asset value (NAV) of the Fund/Scheme shall be calculated and disclosed publicly as per Rule 60 of the Securities & Exchange Commission (Mutual Fund) rules, 2001;
- (36) SEC may appoint auditors for special audit/investigation on the affairs of the Fund/Scheme, if it so desires, for which fee shall be paid by the Fund/Scheme;

#### PART -B

- (1) The Asset Management Company (AMC i.e. AIMS of Bangladesh Limited) shall ensure that the prospectus is published correctly and in strict conformity without any error/omission, as vetted by the Commission.
- (2) The AMC shall carefully examine and compare the published prospectus on the date of publication with the prospectus, as vetted by SEC. If any discrepancy/inconsistency is found both the sponsor and the AMC 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.
- (3) The sponsor and the AMC shall immediately after publication of the prospectus jointly inform the Commission in writing that the published prospectus is a verbatim copy of the prospectus vetted by the Commission.
- (4) The sponsor and the AMC shall simultaneously submit to the Commission an attested copy of the application filed with the stock exchange(s) for listing of the securities.
- (5) The Fund collected through public offering shall not be utilized prior to allotment and/or issuance of unit, as and when applicable, and that utilization of the said Fund shall be effected through banking channel, i.e. Account payee cheque, pay order or bank draft etc.

#### Subscription

Subscription for GRAMEEN ONE : SCHEME TWO, the second scheme of GRAMEEN MUTUAL FUND ONE will commence at the opening of banking business on June 30, 2008 and will be closed at the end of banking business on July 14, 2008. For non-residents, subscription will commence on June 30, 2008 and close on July 23, 2008 Bangladesh time.

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## Chapter 2

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### BACKGROUND

#### Background of establishing the mutual fund

'*Grameen Mutual Fund One*' was sponsored by the Nobel Prize winning Grameen Bank, founded by the globally acclaimed micro-credit pioneer and himself a Nobel Laureate Professor Muhammad Yunus, with the principal objective of facilitating micro-savers to invest in the country's high yielding capital market instruments. The Fund was launched primarily for the benefit of the millions of borrowers of Grameen Bank, overwhelmingly most of whom are women. Other institutional as well as small savers of the country also found '*Grameen One*,' the first close-ended balanced scheme of the Fund a reliable investment vehicle.

AIMS of Bangladesh Limited, the first private asset management company of the country, pioneered mutual fund under private initiative in Bangladesh. Over time it gained valuable experience and confidence in managing mutual funds efficiently. This encouraged Grameen Bank to bestow responsibility on AIMS to manage the first ever mutual fund sponsored by the Bank.

As per the legal requirement, '*Grameen Mutual Fund One*' was established as a Trust under the Trust Act 1882, and registered under the Registration Act 1908, on May 09, 2001. The Fund also received Registration Certificate from the Securities and Exchange Commission (SEC) on August 28, 2001 under the Securities and Exchange Commission (Mutual Fund) Rules 2001. '*Grameen One*', the Tk170 million first scheme of the Fund published Prospectus for Public Offer on June 26, 2005, upon receiving consent from the SEC. The public offer of 5,000,000 units of Tk10 each totaling Tk50 million was oversubscribed by nearly ten times. It was listed at record pace with the stock exchanges on September 04, 2005 within thirteen days of conducting lottery and has since been trading at a premium price to its' net asset value. At the close of its first full accounting year after listing as at June 30, 2007, '*Grameen One*' declared 29% cash dividend for all unit holders. The performance has evidently enhanced the public perception, expectation and goodwill towards the Fund and its constituents.

The vision of Professor Mohammad Yunus has been to create a reliable financial instrument for the poor clients of Grameen Bank, as well as the marginal people of the country, to integrate them with the macro-economy, give them ownership in the leading enterprises, and take advantage of the growth in different sectors of the economy. The poor borrowers of Grameen Bank would not only be investing in their own income-generating activities, they may also be part of the ownership structure of the promising enterprises of the country. By owning units of the various schemes of the mutual fund, they can also build their own old-age protection. '*Grameen Mutual Fund One*' has been created to fulfill this dream. This Fund is expected to gradually enhance the earning potential of the hard-earned savings of the poor savers by linking them with the national capital market in a structured and socially responsible way. It should also encourage other rural savers to take advantage of the emerging financial opportunities.

#### Background of initiating the second scheme of the mutual fund

Buoyed with the overwhelming public response to the first scheme of the mutual fund, the encouraging performance in the debut year and the respectable dividend pay-out recorded by the Scheme, the Sponsor believe it is now possibly time to move

another step forward in gradually materializing the fundamental underlying objectives of floating the mutual fund at the first place.

Having full confidence on the perseverance and ability of the Asset Management Company to deliver and the wisdom of the Trustee of the mutual fund in ensuring compliance and protecting the interest of the stakeholders, Grameen Bank, as the distinguished Sponsor of the '*Grameen Mutual Fund One*', has been privileged to authorize AIMS of Bangladesh Limited to seek consent from the regulatory authorities for flotation of '*Grameen One: Scheme Two*', the second scheme of the Fund, where various associate institutions and enterprises of the Grameen family would also be participating for the first time.

It being another scheme of the '*Grameen Mutual Fund One*', an unique provision was kept for entitlement and allocation of 17,000,000 units of Tk10 each totaling Tk170,000,000 under private placement for the existing unitholders of '*Grameen Mutual Fund One*', appearing on the register of the first scheme of the mutual fund.

Grameen Bank intends to utilize income and proceeds from the portion of its' contribution to the Scheme for augmenting the '*Central Emergency Fund*' and the '*Rehabilitation Fund*' maintained by the Bank. The Emergency Fund is designed to provide immediate and outright grant to the family of any deceased borrower to perform last rites and provide support. The Rehabilitation Fund provides grants as well as interest free loans to borrowers in natural disaster affected areas, in the aftermath of flooding or cyclones etc. Over the years and with the increase of borrowers now standing at about 7.4 million, these funds has been overstretched and are in need of replenishment.

#### **Competitive Advantages in investing in the Fund**

- Mutual funds substantially lower investment risk of small investors through diversification in which funds are spread out into various sectors, companies, securities as well as entirely different markets. It is always the objective of a fund manager to maximize return for a given level of risk through a tolerable risk-return tradeoff.
- Mutual funds mobilize the fund and channel them into profitable investment opportunities. Therefore, mutual funds add liquidity to the market. Moreover, given that the funds are long-term investment vehicles, they reduce market volatility by extending support to scrip prices.
- Mutual funds provide the investors access to the whole market that, at an individual level, would be difficult if not impossible to achieve.
- Because funds are professionally managed, investors are relieved of the emotional strain associated with the day-to-day management of investments. Moreover, the amount of analytical research and study that go into selecting the best securities for a fund portfolio can prove to be overwhelming for the general investor, and is best left to the experts.
- The investor saves a good deal of transaction costs given that s/he has access to a larger number of securities by purchasing a single unit of a mutual fund and the investor can pick and choose a mutual fund to match his/her particular needs.
- Mutual fund is the only vehicle that operates simultaneously both at the demand as well as the supply side of the market. On the supply side, mutual funds, being itself a listed security in the Stock Exchanges, introduce a good and reliable instrument in the capital market for the small but astute investors. On the demand side, since mutual fund investments are primarily in the secondary

market stock and bonds bought at the Stock Exchanges, the demand for blue chip shares thus increases with the operation of the mutual funds.

- Mutual funds are one of the most strictly regulated investment vehicles. The laws governing mutual funds require exhaustive disclosure to the SEC as well as the general public. The laws also entail continuous regulation of fund operations by the Trustee.
- Professional fund managers search for the attractive assets and securities. They do all the footwork to uncover opportunities and research them to make sure that the investment is appropriate for the fund. The fund's stated goal, or investment objective influences the choice of securities.
- Another benefit of mutual fund is liquidity, the ability to move money in and out of the investment. Unlike fixed term deposits, where money is tied up for a period of time, mutual funds are designed so that access or exit is easy.
- In Bangladesh, the mutual funds enjoy a ten percent reserved 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.

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## Chapter 3

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### THE FUND

#### Establishment

'Grameen One: Scheme Two' is the second scheme of the '*Grameen Mutual Fund One*', a trust property registered on May 09, 2001 under the Trust Act, 1882, and Registration Act, 1908. The SEC has registered the Trust as a Mutual Fund on August 28, 2001 under the Securities and Exchange Commission (Mutual Fund) Rules, 2001. The SEC has also approved the Scheme and provided consent on June 03, 2008 to raise subscription from the general investors through public offer.

The life of the Scheme is 15 (fifteen) years from the date of first listing, although there is circumstances set out in the Trust Deed where the unitholders can extend the life on maturity of the tenure.

#### Close-end policy

The Scheme will adopt a close-end policy in its operation. In compliance with the policy, the Scheme will not change the capital position by issuing any additional units or repurchasing existing units during the initial life (i.e. 15 years) of the Scheme.

#### Face value and market lot

The face value of the units of the Scheme is fixed at Tk10 (taka ten) and since there would be no paper scrip issued against any holding, no market lot is necessary and, therefore, for trading at the Stock Exchanges under the CDS mechanism one unit of Tk10 each shall comprise the tradable market lot. However, minimum application amount for Public Offer application shall be for 500 (five hundred) units amounting Tk5,000 (taka five thousand) and its multiples on a single BO account of the CDS.

#### Investment objectives and policy

The primary objective of the Scheme is to achieve capital appreciation as well as earn dividend and interest income through investment in the capital market of Bangladesh. It mostly shall focus on generating cash earning and at the same time preservation of capital. The Scheme shall strive to accumulate reserves over its life in order to reinvest and be able to distribute a lump sum at redemption. The assets of the Scheme will be invested both in equity securities and fixed-income securities (FIS). Most of the equity investments will be made in the companies listed on the DSE and/or CSE. The Scheme may also invest in unlisted equity securities directly from the issuers (IPO and pre-IPO placement) at the primary market. The Scheme may also invest in the listed and/or unlisted debt instruments, including government notes and bonds.

The principal investment objective and policies of the Scheme as set out above will, in the absence of unforeseen circumstances, be adhered to during the life of the Scheme. The Scheme will always adopt the investment policy that will ensure the *balanced and growth* nature that is being contemplated.

The details of the investment policies are as follows:

- a) The Scheme shall invest only in securities and investments approved by the SEC, the Bangladesh Bank and/or the Controller of Insurance of Bangladesh or any other competent authority in this regard.

- b) All money collected under the Scheme, except FIS investments, shall be invested only in transferable securities whether in money market or equity market or privately placed debentures or securitized debts.
- c) Generally not more than 25% of the assets will be invested in the fixed-income securities (FIS).
- d) FIS investment may be made in privately placed unquoted debt or depository instruments of different terms.
- e) The equity portfolio will be a growth-value blend basket of large-cap as well as small-cap stocks.
- f) In order to increase the profit potential, the manager will have the flexibility to use market timing to move between stocks and FIS in any percentage they deem prudent when investment conditions change.
- g) The Scheme will seek to invest in companies, which it considers to exhibit good growth potential and have sound management.
- h) The AMC shall categorize the investments either as 'Trading Securities' or as 'Available-for-Sale Securities' as they deem prudent, as per provisions of IAS-39 corresponding to the Statement of Financial Accounting Standard (SFAS) No. 115 of Financial Accounting Standard Board, USA.
- i) Capital appreciation will be the primary consideration and dividend and interest income will be the secondary consideration for the trading-security investments.
- j) Dividend and interest income will be the primary consideration and capital appreciation will be the secondary consideration for the available-for-sale security investments.
- k) During periods in which the Investment Manager believes changes in economic, financial or political conditions will adversely affect the Scheme's portfolio, the Scheme may, for temporary defensive purposes, reduce holdings in equity and other securities and invest in short and/or medium-term debt securities or hold cash.

*The investment objective of the Scheme may be changed by the Trustee and the AMC. However, unitholders would be notified of any material change in the Scheme's objective.*

#### **Transaction Policy**

- a) The AMC will make the investment decisions and place orders for securities to be purchased or sold by the Scheme.
- b) The AMC will choose prime corporate broker(s) for the purchase and sale of securities for the Scheme's portfolio.
- c) The primary objective of the AMC in choosing broker(s) will be to obtain the most favorable net results taking into account such factors as price, commission, execution and the degree of skill required of the broker(s). The capability and financial condition, integrity and reputation of the broker(s) shall also be a criterion for the choice of that particular broker.
- d) AMC can transact in securities of the portfolio of the Scheme for any amount through any number of brokers other than the prime brokers, if the AMC deems prudent, considering the prevailing market environment.
- e) Transactions requiring physical settlement shall be through the Custodian of the Scheme.

- f) The Scheme shall buy and sell securities on the basis of deliveries and shall, in all cases of purchases, take delivery of securities and in all cases of sale, deliver the securities on the respective settlement dates as per the custom and practice of the stock exchanges and shall in no case put itself in a position whereby it has to make short sale or carry forward transaction or engage in *badla* finance.
- g) The AMC shall get the securities purchased and transferred in the name of the Scheme, where investments are intended to be of long-term nature.

#### **Investment restrictions**

The following restrictions are fundamental policies of the Scheme that may not be changed without approval of majority of the Scheme's outstanding voting securities or through any act of the Securities and Exchange Commission. These are also and should remain in line with the Section-56 and the Schedule-V of the Securities and Exchange Commission (Mutual Fund) Rules, 2001 and any amendment thereto from time to time. If a percentage restriction on investment or use of assets set forth below is adhered to at the time a transaction is effected, later changes of holding value due to changes in market price movement or accrued gain in value over time will not be considered a violation of the restrictions.

- a) The Scheme shall not invest in securities having unlimited liability.
- b) The Scheme shall not buy its own units.
- c) Investments by way of privately placed debentures, securitized debts and other unquoted debt instruments shall not exceed 25% (twenty five percent) of the total assets of the Scheme.
- d) The Scheme shall not invest more than 10% (ten percent) of its assets in any one particular company shares.
- e) The Scheme shall not own more than 15% (fifteen percent) of any company's paid-up capital at any point of time.
- f) The Scheme shall not invest more than 20% (twenty percent) of its total assets in the shares, debentures or other securities of a single company.
- g) The Scheme shall not invest more than 25% (twenty five percent) of its total assets in shares, debentures or other securities in any one industry.
- h) The Scheme shall not involve in option trading or short selling or carry forward transactions unless authorized by the SEC.
- i) The Scheme shall not invest in or lend to another scheme under the same AMC.
- j) The Scheme shall not provide term loan or advance to any entity.
- k) The Scheme shall not borrow fund for investing unless authorized by the SEC.

#### **Investment management**

AIMS of Bangladesh Limited shall conduct the day-to-day management of the Scheme's investment portfolio as the Asset Management Company (AMC). Subject to the provisions laid down in the Trust Deed and the Investment Management Agreement, the AMC will have discretionary authority over the Scheme's portfolio.

#### ***Investment style***

The manager will adopt both fundamental and quantitative investing approach for the Scheme. As quantitative approach has a few definite benefits like discipline, more predictable return, continuity in the case of portfolio manager change, risk management and control etc, the manager will adopt the approach especially in

allocating assets. In picking up individual stocks, the manager will adopt fundamental approach as the manager thinks the approach to be more harmonious to the local market conditions. The manager will also adopt technical analysis (use of charts) for identifying trend reversals in the market and timing the investments accordingly.

The manager will adequately and thoughtfully diversify the portfolio so that the Scheme can achieve required returns, assuming below market-average risk. 'Active' investment method, which involves the buying and selling of securities based on economic, financial and market analyses and investment judgment, will be adopted by the Scheme.

#### ***Borrowing policy***

As per the Rules, the Scheme is not permitted to borrow to finance investments or to advance any term loan or guarantee term loan for any purpose. However, if the SEC withdraws or relaxes these restrictions during the life of the Scheme, it may well opt for borrowing, if necessary, from any legal source at a competitive rate with the consent of the Trustee.

#### ***Distribution policy***

Distribution policy of the Scheme has been planned emphasizing the interest of the small investors. The AMC has appointed selected branches of the Bankers-to-the-Issue concentrating in the urban and off-urban regions for facilitating subscription from the general investors. AIMS of Bangladesh Limited shall also complement the efforts of broader dissemination through its network. However, no commission, including seal commission, shall be paid to any one for distributing the subscription applications.

#### ***Dividend policy***

- i. The accounting year of the Scheme shall be July to June fiscal year immediately following the year of listing.
- ii. After the close of annual accounts, the Trustee, as appears appropriate, shall declare dividend.
- iii. Being a 'Growth Fund' in nature, the Scheme shall distribute at least 50% (fifty percent) of the 'Annual Income'<sup>3</sup> of the Scheme, as dividend, at the end of each accounting year, or as determined by the SEC from time to time.
- iv. No dividend may be declared or paid other than from earnings of the Scheme, available for distribution.
- v. Surpluses arising simply from the valuation of investments may not be available for dividend.
- vi. Dividend warrants will be dispatched within 30 (thirty) days from the declaration of such dividends.
- vii. A transfer of unit shall not pass the right to any dividend declared thereon before the registration of the transfer.

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<sup>3</sup> Before deriving the annual income and declaring dividend, the Fund shall provide for depreciation on investments, appropriate provision for investment, and also make a provision for bad and doubtful investments to the satisfaction of the Auditors and shall create a DER and a provisional FISIR by appropriation from the income of the Fund.

### *Valuation policy*

The Scheme intends to determine its NAV per unit no less frequently than the close of business on the last business day of each month by dividing the value of the net assets of the Scheme (the value of assets less liabilities) by the total number of units outstanding. Details of the valuation policy are as under:

- a) In valuing the Scheme's assets, the closing price or average price, if available, of securities quoted on the last trading day of the month at DSE.
- b) When the securities were not traded on the particular valuing date at DSE, the closing price quoted at CSE on that particular valuing date would be taken into account in valuing such securities.
- c) When the securities were not traded either at DSE or CSE on the particular valuing date, immediate previous closing price, which one is nearer, but not longer than 90 (ninety) days, to the valuing date will be taken into account.
- d) When the securities were not traded either at DSE or CSE for a period for over 90 (ninety) days, securities will be valued considering the value derived by multiplying the respective EPS of the last available reported year with the sector PE multiple or the cost price (acquisition value) of the securities, which one is lower.
- e) In case of listed bond or debenture valuation, last quoted closing price at DSE will be taken into account.
- f) The valuation of non-listed securities will be made by the AMC with their reasonable value and approved by the Trustees and commented upon by the Auditors in the Annual Report of the Scheme.
- g) Once non-listed securities are valued, the valued amount will be considered for purpose of valuing the Scheme's assets at any interval of time until the securities are further revalued by the AMC and the Trustee.
- h) The AMC and the Trustee shall ideally value the non-listed securities at three-month intervals.
- i) In case of investment in long-term debt instruments or fixed deposit, accrued interest for the period up to the date of valuation will be taken into account for the purpose of valuation of assets of the Scheme.
- j) 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 Scheme will use the following net formula to derive NAV per unit.

$$Total\ NAV = V_A - L_T$$

$$NAV\ Per\ Unit = \frac{Total\ NAV}{No.\ of\ Share}$$

$V_A$  = Value of all securities in hand + Value of all securities placed under lien + Cash at hand and 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 less amortized for the period + Printing, publication and stationery expenses less amortized for the period = Value of Total Assets of the Scheme for the Period.

$L_T$  = Value of all securities payable + Payables for purchase of investments + Payables with respect to brokerage and custodial charges + All other payables with respect to printing, publication and stationery + Accrued deferred expenses with regard to trustee fee, annual fee, audit fee, and safe keeping fee = Total Liabilities of the Scheme for the Period.

### ***Redemption policy***

The unitholders of the Scheme will be fully redeemed at maturity unless the life is extended by the unitholders. The policies pertaining to redemption are described below:

- a) If three-fourths of the unitholders do not decide otherwise at the closing meeting called for the purpose, the Trustee of the Scheme will declare full redemption. The unitholders may authorize the Trustee and/or the AMC or any other person to take steps for winding up of the Scheme.
- b) The Trustee and/or the AMC or the person authorized shall dispose of the assets of the Scheme concerned in the best interest of the unitholders of the Scheme. After making appropriate provision for meeting the expenses connected with such winding up, the balance shall be paid to the unitholders in proportion to their respective interest in the assets of the Scheme as on the date when the decision for winding up was taken.
- c) Within 30 (thirty) days from the completion of the winding up, the Trustee shall forward to the Commission and the unitholders 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 Scheme before winding up, expenses of the Scheme for winding up, net assets available for distribution to the unitholders and a certificate from the Auditors of the Scheme.
- d) After the receipt of the report, if the Commission is satisfied that all measures for winding up of the Scheme have been completed, the Scheme shall cease to exist and the SEC shall notify the Trustee in writing about the winding up.
- e) Redemption Warrant will be dispatched to the unitholders within 7 (seven) working days from the date of such notifying letter from the SEC.

### **Additional measures to improve profitability**

***Investment in the primary market:*** The Fund shall appropriately focus on primary market (IPOs) especially on private placements. Accordingly the AMC shall extend special efforts on efficient cash management and maintain good network with the merchant banks to avail emerging opportunities.

***Investment in unlisted securities:*** The Fund shall explore opportunity to invest in high-yielding unlisted securities. To this end, the AMC shall maintain contact with venture capitalists like the Grameen Fund for bankable referrals. Also the AMC shall actively seek out prospective companies that are in need of capital.

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## Chapter 4

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### RISK PARAMETERS

#### Risk Factors

The prospective investors should appreciate that investment in the Scheme involves certain special considerations and risk factors, including those set forth below, which are not necessarily exhaustive or mutually exclusive:

- (a) Performance of the Scheme is significantly dependent on the macroeconomic situation and the capital market in particular.
- (b) Since the capital market of Bangladesh is extremely fluctuating, there is no firm assurance that the Scheme will achieve all its stated objectives.
- (c) Stock market activity in Bangladesh focuses on a small number of companies representing a limited number of industries, resulting in a potential lack of liquidity and price volatility. In addition, a high proportion of the equity securities listed on the DSE and CSE is closely held and the number of shares currently available for acquisition by the Scheme may be very limited. It may, therefore, be difficult to invest the Scheme's assets, to obtain a desired diversification of the portfolio or to realize the Scheme's investments at the prices and times that it would wish to do so.
- (d) The recent stock market trends portray that price of almost all the listed securities move in tandem with the market in the similar direction, causing difficulty to the Manager to diversify the assets.
- (e) Since Bangladesh lack secondary bond market or product variation as it would have been ideal, the Manager might not be able to swap between different asset classes, as they might desire.
- (f) Money market instruments are also not readily available, which may narrow the opportunity of short term or temporary investments of the Scheme.
- (g) If maturity of the Scheme is extended by the unitholders at the closing meeting, investment in fixed income securities will be subject to reinvestment risk, i.e., the risk of non-availability of investment opportunity at the current rate at that time.
- (h) The value of the units of the Scheme may, in direct correlation with other listed securities, fluctuate. In addition, there is no guarantee that the market price of units of the Scheme will fully reflect their underlying net asset values.
- (i) Since the Scheme is a balanced fund, i.e., the Scheme shall invest in both equity and FIS, the credit risk of the FIS issuers is also associated with the Scheme.
- (j) Despite careful selection of stocks, the companies may fail to provide expected dividend or make timely disbursements, which may affect the return of the Scheme.
- (k) The value of the Scheme's assets may be affected by uncertainties such as political or social instability, or changes in any law or regulations of the territory.

- (l) Since unlike the older mutual funds in the market, mutual funds under the SEC (Mutual Fund) Rules, 2001 are not allowed to have access to short-term borrowing, the Fund may have to meet its cash needs including dividend payments or meeting pre-IPO placement investment commitments through disposing off its investments, even at unfavorable market conditions. This may greatly curtail the earnings as well as future reinvestment capabilities of the Fund, translating to lower profit.
- (m) Qualitative and quantitative investment restrictions imposed through the Rules, have restricted the operational leeway of the Fund Manager, in the event of only a handful of securities qualifying as Category-A at the stock exchanges. Since the older mutual funds in the market do not have such qualitative and quantitative restrictions, ceiling of all these restrictions have resulted in disadvantage for the Fund.
- (n) Although application will be made to the DSE and CSE for the units for listing, there is no assurance that the units will be listed with the bourses. In the unlikely event of non-listing by both the exchanges, the Scheme will be redeemed prematurely causing opportunity cost to the investors.

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## Chapter 5

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### FORMATION, MANAGEMENT AND ADMINISTRATION

#### Sponsor of the Fund

##### Grameen Bank

Grameen Bank is the Sponsor of the '*Grameen Mutual Fund One*'. Therefore, Grameen Bank has provided a seed capital of Tk250 million to initiate 'Grameen One: Scheme Two', the second Scheme of the Fund. The Bank has also set the objectives and policy guidelines of the mutual fund through authoring and executing the Trust Deed and the Investment Management Agreement.

Grameen Bank was established under the Grameen Bank Ordinance, 1983, operating with an objective to alleviate poverty through financial services, especially by providing micro-credit. Empowering poor people is the ultimate objective of the Bank. Borrowers of the Grameen Bank at present own 94.34% of the total equity of the Bank and the remaining portion is held by the Government of Bangladesh. Professor Muhammad Yunus is the founder Managing Director of the Bank. The Government nominates three directors including the Chairman and nine other directors are elected representatives from among the Grameen borrowers. Grameen Bank and Professor Muhammad Yunus jointly won the prestigious Nobel Peace Prize in 2006, the first by any person or institution from Bangladesh.

#### Trustee of the Scheme

##### *Grameen Fund*

Covenants in the registered Trust Deed executed on 9th May, 2001 by and between Grameen Bank (Sponsor) and Grameen Fund (Trustee) in connection with "Grameen Mutual Fund One" shall also be applicable for "Grameen One : Scheme Two"- the second scheme of the Grameen Mutual Fund One.

Grameen Fund, a venture capital undertaking of the Grameen family limited by guarantee is the Trustee of the Fund. Established in 1994, Grameen Fund dedicated itself in promoting, managing and financing various enterprises, which aims to create wealth for ultimate poverty alleviation. Mr. Faizur Razzaque is the Managing Director of this not-for-profit company.

As the Trustee Grameen Fund, for all practical purposes, is the guardian of the Fund and shall be responsible for ensuring compliance as well as the protection of the properties of the Fund solely for all the beneficiaries. In order to properly carry out their responsibilities, Grameen Fund has formed a Trustee Committee, with Mr. M. Faizur Razzaque, Mr. M. Hafizuddin Khan and Mr. Quazi Sultan Ahmed. Brief profile of the members of the Trustee Committee is presented below:

**Mr. M. Faizur Razzaque** is a veteran civil servant. During his 34-year career in civil service, he worked in various capacities, including as Chief Executive of some Corporations and Secretary to the Government. Some of the positions he held were the Managing Director of Biman Bangladesh Airlines, Director General of Department of Industries, Chairman of Bangladesh Small and Cottage Industries Corporation, Director General of Bangladesh Television, Chairman of Bangladesh Power Development Board, Secretary of the Ministry of Power, Energy & Mineral Resources and Secretary of the Election Commission Secretariat. The last position he

held before retirement from government service was Alternate Executive Director of the Asian Development Bank.

**Mr. M. Hafizuddin Khan** is a well-known reformer in administrative and financial management. He is a former Comptroller and Auditor General of Bangladesh. He also held the position of a Director in Rupali Bank, BASIC Bank and Agrani Bank. He served the government as Member-Finance of Khulna Divisional Development Board, Bangladesh Rural Development Board, and the Bangladesh Agricultural Development Corporation. He also served in the Ministry of Works, the Internal Resources Division and the Local Government Division as Joint Secretary. As Additional Secretary he worked in the Prime Minister's Office, and as Secretary he served in the Ministry of Disaster Management & Relief and the Ministry of Post & Telecommunications. He was also a Member of the Public Administration Reforms Commission. Mr. Khan served as an Advisor to the Caretaker Government in 2001.

**Mr. Quazi Sultan Ahmed** is an accountant. He joined Grameen Bank in 1984 and carried out important responsibilities holding different positions within the organization. Presently he is working with Grameen Fund as Deputy General Manager and heading its Accounts and Administration section.

#### **Custodian of the Scheme**

##### **Standard Chartered Bank (SCB)**

Standard Chartered Bank, a UK-based commercial bank operating in Bangladesh for over fifty years, is the Custodian of the Fund. They have been providing custodial services to the foreign institutional portfolio investors in Bangladesh for long. They are experienced and skilled in this line of business and enjoy a reputation for confidentiality, timely settlement, reporting, and collecting corporate announcements for the clients. They are also providing custodial services to AIMS First Guaranteed Mutual Fund, the first local private-sector mutual fund.

#### **Investment Manager of the Scheme**

##### **AIMS (Asset & Investment Management Services) of Bangladesh Limited**

AIMS of Bangladesh Limited is the Asset Management Company (AMC) or Manager of the Fund. They are responsible for designing, structuring, registration, floatation, reporting and day-to-day management of the Fund and its various schemes. AIMS is also responsible for recurring investment activities, including portfolio construction and rebalancing, under the guidelines set forth in the Trust Deed and the Investment Management Agreement of the Fund.

AIMS has the unique distinction of conceiving and floating 'AIMS First Guaranteed Mutual Fund', the first private sector mutual fund in independent Bangladesh in year 2000. Apart from managing collective saving and investments AIMS is actively involved in developing the debt market and contractual savings sectors, and has also been rendering services in various financial sector development projects of different multilateral and donor agencies.

AIMS is the first investment and fund management company of its kind under private initiative in Bangladesh. The shareholders of the company are all practicing professionals, highly qualified in their professed vocation and a majority of them are either returned or expatriate Bangladeshis. It is equipped with a team of expert capital market professionals, research analysts and economists to run the outfit. The core management team has been recruited with experienced managers formerly with

leading institutions at home and abroad. The AIMS research and operations team is a blend of young and experienced business and finance graduates.

**Mr. Yawer Sayeed**, founder Managing Director & CEO of the company, is a dual citizen of Bangladesh and Australia with an MBA from the Institute of Business Administration (IBA) of Dhaka University and post graduation on Applied Finance and Investment from the Securities Institute of Australia, Sydney. He is also an Associate of the Institute and brings with him over 25 years of diverse hands on experience in the financial services sector at home and abroad. Well known in the industry circle for commentaries on capital market and economic issues, Mr. Sayeed also teaches at the business school of local universities and also at other training institutes. An ardent corporate governance activist, he has been providing consulting and advisory services to multilateral funding and development agencies like the Asian Development Bank (ADB), The World Bank, International Finance Corporation (IFC), Organization of Economic Cooperation & Development (OECD), Department for International Development (DFID) of UK, CARE International, Asia Foundation and others. He has a rare distinction of being featured and acknowledged on different international journals, including the prestigious Bloomberg <<http://www.bloomberg.com/apps/news?pid=20601091&sid=ajYCq0jTs6Fo&refer=i>> and other international dailies, namely the International Herald Tribune, Bangkok Post, Today of Singapore etc. as late as in October 2007 and the Winter 2007 issue of the Asian Enterprise of London ([www.asianenterprise.biz](http://www.asianenterprise.biz)).

#### **Auditors**

Hoda Vasi Chowdhury and Co, Chartered Accountants, is the Auditor of the *Grameen Mutual Fund One*. They are one of the oldest audit firms of the country and are associated with world renowned Deloitte Touché Tohmatsu.

#### **Limitation of expenses**

- (a) Issue expenses of the Scheme shall not exceed 5% (five percent) of the Fund, the details of which are provided in the Prospectus.
- (b) Total expenses (other than issue expenses) of the Scheme shall not exceed 4% of the net asset value based on weekly averages.

#### **Fees and expenses**

The Scheme will pay the fees of AMC, the Trustee and the Custodian together with any additional fees, commissions and expenses as may be required from time to time. The Scheme will bear its own costs and expenses incurred 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 for legal, reporting, auditing and consulting services, other professional fees and expenses, brokerage costs, share registration expenses, commitment fee of liquidity facility, pre-operating fees and expenses and other fees due to the SEC. The Scheme will also bear all expenses of printing, postage, publications and stationery relating to its operation. Major expenses of the Scheme are detailed as follows:

#### **Issue and formation expenses**

All efforts will be made so that the total issue and formation expenses do not exceed 1.95% of the Scheme, including the fee to the Bankers and the application processing & public lottery charges. In order to keep the issue expense lower, AIMS of Bangladesh Limited has volunteered to charge Formation Fees @1% only on the subscription collections from other than the portion subscribed by the Sponsor and

associated entities of the Grameen Bank. No Broker Commission will be paid and the Banker(s) to the Issue will be paid @0.10% of the collection amount. The expenses shall be amortized within the life of the Fund on a straight-line basis. The major expenses constituting issue and formation expenses are estimated as under:

<b>Registration Fee paid to SEC</b>	0.20%
<b>Formation Fee payable to AMC</b>	0.18%
<b>Bankers to the Issue Fee<sup>4</sup></b>	0.15%
<b>Legal, Printing and Publication (including Prospectus)</b>	0.42%
<b>Post Issue &amp; Other Expenses</b>	1.00%
<b>Total</b>	<b>1.95%</b>

#### Management fee

In order to keep the operating cost at a minimum commensurating with the noble objectives of the Scheme, AIMS of Bangladesh Limited, as a part of its social responsibility, has volunteered to charge the due annual management fee on a performance based scale minimally at 0.70% of the weekly NAV up to Tk1.3 billion and 0.75% for additional amount over Tk1.3 billion of NAV up to Tk1.5 billion and for additional amount over Tk1.5 billion of NAV up to Tk1.75 billion at 0.85% and for additional amount over Tk1.75 billion of NAV up to Tk2 billion at 0.95% and for any additional amount over Tk2 billion of NAV at 1%, accrued and payable in quarterly arrears.

#### Trustee fee

The Scheme shall pay an annual fee of Tk200,000 (taka two hundred thousand) to the Trustee on semi-annual installments in advance as prescribed on the Trust Deed of the Fund.

#### Custodial fee

The Scheme shall pay to the Custodian a fee @ 0.30% of the total trade volume and @ 15 basis point per annum for safe keeping calculated on month-end value of the balance securities kept with the custodian, accrued and payable monthly.

#### CDBL fee

For listing with the Central Depository of Bangladesh Limited (CDBL) there are both initial and recurring expenses. An amount of Tk500,000 (taka five hundred thousand) as security deposit shall be kept with the CDBL without interest during the whole life of the Tk1.25 billion Scheme, while an IPO fee of Tk250,000 (taka two hundred fifty thousand) will be paid during the public subscription. Annual fee for the Scheme shall be Tk100,000 (taka one hundred thousand).

#### Scheme registration and annual fee

The *Grameen Mutual Fund One* is already a registered mutual fund. As per determination of the SEC vide letter no. SEC/Reg./Grameen/Gen-158/2008/264 of May 25, 2008 the Scheme has paid Tk2.5 million as Registration Fees to the Commission @ .20% of the Scheme size. As per Securities and Exchange Commission (Mutual Fund) Rules 2001 the Scheme will pay an annual fee to the SEC every year during the entire life of the Scheme. The current fee is at the rate of 0.10% on the capital, with a minimum of Tk50,000.

<sup>4</sup> Assuming Tk1.7 billion will be collected through public subscription, given the recent market trends and experience.

**Listing fee**

The Scheme shall be paying the usual listing fees and annual renewal fees to the stock exchanges as per their charge schedule on a regular basis. Current total initial listing fee for the Tk1.25 billion Scheme for listing with both the exchanges comes to Tk6,000,000 (taka six million) along with a service charge of Tk5,000 (taka five thousand) and the total annual fee payable every year is Tk200,000 (taka two hundred thousand) for continued listing with both of the Exchanges.

**Audit fee**

The Scheme shall pay Tk30,000 (taka thirty thousand) to the Auditors for the first year and fees for subsequent years will be fixed by the Trustee.

**Accounts and information**

The Scheme's financial year-end will be the July to June period as fixed by the Securities and Exchange Commission (Mutual Fund) Rules, 2001. Annual reports and audited accounts of the Scheme will be published and sent to the unitholders within 45 (forty five) working days from the closure of each financial year. The NAV per unit will be published on a monthly basis in national newspapers. Furthermore, the AMC will notify the stock exchanges the monthly NAV per unit and suspension or alteration of the calculation of the NAV, if any.

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## Chapter 6

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### CAPITAL STRUCTURE, TAX STATUS AND RIGHTS OF UNITHOLDERS

#### 1. Capital Structure

##### Share Issue

The Scheme has issued 125,000,000 (one hundred twenty five million) units of Tk10 (taka ten) each at par totaling Tk1,250,000,000 (taka one billion and two hundred fifty million), distributed as follows:

Subscribers	No. of Units	Taka
Sponsor's Contribution	25,000,000	250,000,000
Entitlement for existing Unitholders of the Fund	16,659,000	166,590,000
Pre-IPO Institutional Placement	68,000,000	680,000,000
Initial Public Offer (IPO)	<u>15,341,000</u>	<u>153,410,000</u>
<b>Total Size of the Scheme</b>	<b><u>125,000,000</u></b>	<b><u>1,250,000,000</u></b>

##### Pre-Public Offer Placement & Entitlement

The scheme being another and the second scheme of the '*Grameen Mutual Fund One*', provision for entitlement was kept for allocation of 17,000,000 (seventeen million) units of Tk10 each totaling Tk170,000,000 (taka one hundred seventy million) for the existing unitholders of the first scheme of the mutual fund. Out of the entitlement 16,659,000 (sixteen million six hundred fifty nine thousand) units of Tk10 each totaling Tk166,590,000 (taka one hundred sixty six million five hundred ninety thousand) has been subscribed under private placement.

68,000,000 (sixty eight million) units at Tk10 each, totaling Tk680,000,000 (taka six hundred eighty million) have been privately placed with the following associated enterprises and Trusts of the Grameen Bank family, market intermediaries and financial institutions:

	No. of Units	Taka
Grameen Bank Provident Fund Trust	10,000,000	100,000,000
Grameen Capital Management Limited	2,000,000	20,000,000
Grameen Capital Management Limited (Portfolio)	5,000,000	50,000,000
Grameen Kalyan	15,000,000	150,000,000
Grameen Shakti	10,000,000	100,000,000
Grameen Shamogree	1,000,000	10,000,000
Grameen Shikkha	1,000,000	10,000,000
Grameen Telecom	18,000,000	180,000,000
Grameen Trust	1,000,000	10,000,000
IDLC Finance Limited	600,000	6,000,000
IDLC Finance Limited (Portfolio)	400,000	4,000,000
Lanka Bangla Finance Limited	600,000	6,000,000
Lanka Bangla Finance Limited (Portfolio)	400,000	4,000,000
Pangaea Partners (BD) Limited	1,000,000	10,000,000
Yunus Foundation	2,000,000	20,000,000
<b>Total Institutional Private Placement</b>	<b>68,000,000</b>	<b>680,000,000</b>

## Public Offer

15,341,000 (fifteen million three hundred forty one thousand) units at Tk10 (taka ten) each are being offered for public subscription in cash in full on application. Units will be allocated in the manner placed alongside.		<b>Units</b>
	NRBs	1,534,000
	Registered Mutual Funds	1,534,000
	General Public	<u>12,273,000</u>
	<b>Total Public Offer</b>	<b><u>15,341,000</u></b>

## 2. Exemption from income tax

Investment in the Scheme by an individual assessee will qualify for investment tax credit under Section 44(2) of the Income Tax Ordinance, 1984. Besides, dividend, interest and capital gains of the Scheme shall be fully tax-exempt under the Sixth Schedule, Part-A Para-30 of the Income Tax Ordinance, 1984.

## 3. Rights of the Shares

The rights attaching to the units of the Scheme are as follows:

- (a) **Voting rights:** Unitholders shall have the usual voting right in person or by proxy in a meeting held in connection with any proposal to amend the size, characteristics, or tenure of the Scheme or any other agenda of meetings called by the Trustee, in the circumstances delineated in the Trust Deed. On a show of hands, every unitholder present in person or by proxy shall have one vote and, on a poll, every unitholder on record of the Scheme present in person or by a proxy shall have one vote for every unit of which s/he is the holder.
- (b) **Transfer of units:** The units of the Scheme are freely transferable and no fee shall be levied for transfer of units other than those of the CDBL. No transfer shall be made to an infant or persons of unsound mind.
- (c) **Dividend:** The units carry rights to dividends as explained in the '**Dividend Policy**' of the Scheme, set forth in Chapter 3.
- (d) **Periodic Information:** The unitholders of the Scheme shall have the right to receive the audited Annual Reports of the Scheme. Besides, they will be informed on a monthly basis about the NAV of the Scheme, through publishing the same in the newspapers and through the stock exchange(s).
- (e) **Disclosure:** The Trustees shall make or cause to make such disclosures to the investors as are essential in order to keep them informed about any development, which may have bearing on their investments.

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## Chapter 7

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### CONDITIONS FOR OFFER, ALLOTMENT AND APPLICATION OF UNITS

#### 1. Share Issue

- i. The Fund offers 15,341,000 (fifteen million three hundred forty one thousand) units of Tk10 (taka ten) each at par, totaling Tk153,410,000 (taka one hundred fifty three million four hundred ten thousand) for the general public.

#### 2. Allotment of Shares

- i. NRBs shall have the right of preferential allotment to the extent of 10% (ten percent) i.e., 1,534,000 (one million five hundred thirty four thousand) units. In case of undersubscription, the unsubscribed amount shall be added to the general public category.
- ii. Registered Mutual Funds shall have the right of preferential allotment to the extent of 10% (ten percent) i.e., 1,534,000 (one million five hundred thirty four thousand) units. In case of under-subscription, the unsubscribed amount shall be added to the general public category.
- iii. The rest 12,273,000 (twelve million two hundred seventy three thousand) units will be distributed among the local general public investors.

Tk15,340,000

Tk15,340,000

Tk122,730,000

**Tk153,410,000**

#### 3. Minimum Amount to be Raised

- i. The target amount to be raised in respect of the Fund is Tk1,250,000,000 (taka one billion and two hundred fifty million) only, including the sponsor's contribution and private placement.
- ii. The Fund shall be liable to refund to the public investors the entire amount collected, if the subscription list fails to collect a minimum amount of 60% (sixty percent) of the targeted amount, i.e. Tk750,000,000 (taka seven hundred fifty million) including private placements.
- iii. Any amount refundable to the public subscribers under the Rules shall forthwith, but, in any case not later than 30 (thirty) working days from the date of closure of the subscription list be refunded through direct credit to the respective bank accounts of the applicants as far as practicable or an account payee Refund Warrant with account number, bank and branch name as mentioned on the Application Form.
- iv. In the event of failure to refund the amounts within the period stipulated in the Rules, the Fund shall be liable to refund within next 30 (thirty) working days along with interest accrued at the rate prescribed in the Rules.

#### 4. Conditions of Allotment

- i. In case of over-subscription in all the General Public, Mutual Funds and NRB categories, allotment shall be made by separate lottery in all the categories among all the valid applicants in the presence of authorized representatives of Stock Exchanges, Sponsor, Trustee, AMC and the members of the public who would like to be present.
- ii. In case of under subscription in any of the above categories, the under-subscribed portion will be allotted to the other category or the general public category, as the case may be.
- iii. In case of any difficulty with respect to implementation of the conditions of offer and allotment of units, the allotment of public shares to applicants shall be made in such a manner as may be determined by the SEC.
- iv. The Fund reserves the right to accept or reject any application in whole or in part.
- v. No paper Certificate will be issued to any successful applicant(s). The units shall be credited directly to the BO account(s) of the successful applicants within 72 hours and trading of the units commenced at the stock exchanges within 10 working days from the conduct of lottery.
- vi. Where an application is not accepted in full or in part, the money received on application will be refunded to the applicant, without any interest, within 30 (thirty) working days of closing of subscription lists through direct credit to the respective bank accounts of the applicants as far as practicable or an account payee Refund Warrant with account number, bank and branch name as mentioned on the Application Form.
- vii. Interest as stipulated in the Rules will be paid to the unsuccessful applicants where application money is refunded after 30 (thirty) working days from the date of closing of subscription lists.

#### 5. Conditions of Application for Public Subscription

- i. Application Form and Prospectus may be obtained from the registered office of the AMC, office of the Sponsor and/or Trustee, members of DSE and CSE or from the Bankers to the Issue or downloaded from the website of AIMS of Bangladesh Limited <[www.aims-bangladesh.com](http://www.aims-bangladesh.com)>, Grameen Bank <[www.grameen.com](http://www.grameen.com)> or SEC <[www.secbd.org](http://www.secbd.org)>.
- ii. Applications must be in the full name of individuals or limited companies or societies or trusts, Bangladeshi or foreign, 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 & Articles of Associations and Certificate of Incorporation.
- iii. Application for the units may be made for a minimum of 500 (five hundred) units valuing Tk5,000 (taka five thousand) or multiples thereof and must not be for less than 500 (five hundred) units or fractions thereof, i.e. less than Tk5,000 (taka five thousand) only.
- iv. Application should preferably be made on the prescribed printed forms. In case adequate forms are not available, applicants may use photocopied, cyclostyled, hand written or typed copies of the forms. Joint application form for more than two persons will not be accepted. In the case of joint application, each party must sign the application form.

- v. An applicant can submit only two applications, one in his/her own name and the other jointly with another person. In case an applicant makes more than two applications, those in excess of two applications shall not be considered for allotment purpose and application money against all such multiple applications shall be forfeited.
- vi. All completed application forms together with the subscription for the full amount payable shall be lodged by the investors, other than NRBs and registered Mutual Funds, with any of the branches of the Bankers to the Issue.
- vii. Payment for subscription by investors, other than NRBs and Mutual Funds, may be made to the branches/office of the banks mentioned below, in Cash/Cheque/Pay Order/Bank Draft. The instrument shall be made payable to the bank to which it is submitted and be marked "GRAMEEN TWO" and shall bear the crossing "A/C Payee Only" and must be drawn on a bank in the same town of the bank to which application form is deposited.
- viii. The registered Mutual Funds shall submit the filled-in application form along with Cash/Cheque/Pay Order/Bank Draft directly to the office of **AIMS of Bangladesh Limited, Unique Trade Center (UTC), 8 Panthopath (Level 6), Karwan Bazar, Dhaka 1215, Bangladesh.**
- ix. The subscription money collected from investors by the Bankers to the Issue will be remitted to the **STD A/C 0003-0320000983**, Mutual Trust Bank Limited, Panthopath Branch, Chandrashila Suvastu Tower, 69/1 Panthopath, Dhaka 1205.
- x. NRB applicants shall submit the filled-in application form along with foreign currency drafts in US Dollar/Pound Sterling/Euro drawn and payable at Dhaka, directly to the office of **AIMS of Bangladesh Limited, Unique Trade Center (UTC), 8 Panthopath (Level 6), Karwan Bazar, Dhaka 1215, Bangladesh.**
- xi. A NRB shall apply either directly, by enclosing a foreign currency demand draft marked "GRAMEEN TWO" bearing the crossing "A/C Payee Only" and 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 applied for may be paid in Bangladesh Taka, Pound Sterling, Euro or US Dollar at the rate of exchange mentioned on the Application Form. Refund against over subscription shall be made in the currency in which the applicant paid the value of units applied for. Copies of application form and Prospectus will be available with the Bangladesh Embassy/High Commission in USA, UK, Australia, Canada, Saudi Arabia, UAE, Kuwait, Malaysia, Japan, Italy and South Korea, which is being dispatched by Diplomatic Bag.
- xii. The Fund has opened three "FC Account for Public Issue" in Euro, US Dollar and Pound Sterling with **Mutual Trust Bank Limited, Panthopath Branch, Chandrashila Suvastu Tower, 69/1 Panthopath, Dhaka 1205, Bangladesh (SWIFT : MTBLBDDHPPB)** on approval of Prospectus by the SEC; and shall close the account after refund of over subscription amounts, if any.
- xiii. The subscription money collected from NRBs in US dollar shall be deposited in the "GRAMEEN TWO (FC Account for IPO Subscription)"

No. **USD 0003-026000516** with Mutual Trust Bank Limited, Panthopath Branch, Dhaka. For deposits in Pound Sterling the account number is **GBP 0003-026000534** and for Euro it is **EU 0003-026000525** with the same bank. In case of over subscription, refund shall be made by the Fund out of the “FC Account(s) for Public Subscription”.

- xiv. **APPLICATIONS NOT IN CONFORMITY WITH ANY OF THE ABOVE REQUIREMENTS AND THE INSTRUCTIONS PRINTED ON THE APPLICATION FORM SHALL BE REJECTED.**

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## Banker to the Issue

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### **AB Bank Limited**

Principal Branch, Dhaka  
Motijheel, Dhaka  
Gulshan, Dhaka  
Imamganj, Dhaka  
Kakrail, Dhaka  
Karwan Bazar, Dhaka  
Mirpur, Dhaka  
New Elephant Road, Dhaka  
North South Road, Dhaka  
Uttara, Dhaka  
Board Bazar, Tongi  
Agrabad, Chittagong  
CDA Avenue, Chittagong  
Chawk Bazar, Chittagong  
Export Processing Zone (EPZ), Chittagong  
Khatunganj, Chittagong  
Darahgate, Sylhet  
Garden Tower, Sylhet  
Modhuban Super Market, Sylhet  
Shamsher Nagar Road, Moulvibazar  
Aziz Super Market, Sreemongal  
Bazar Ghata, Cox's Bazar  
Dr. Dipinsen Road, Mymensingh  
Bangabandhu Avenue, Narayanganj  
Court Road, Brahmanbaria  
Mogholtooly Road, Comilla  
K.D.A. C/A, Khulna  
Benapole, Jessore  
Jhawtala, Bogra  
Godagari Road, Chapai Nawabgonj  
Shaheb Bazar, Rajshahi  
Sadar Road, Barisal

### **Investment Corporation of Bangladesh**

Head Office, BSB Building, Dhaka  
Local Office, Nayapaltan, Dhaka  
Agrabad C/A, Chittagong  
Shaheb Bazar, Rajshahi  
K.D.A. C/A, Khulna  
Hemayet Uddin Road, Barisal  
Chamber Building, Sylhet  
Station Road, Bogra

### **Mutual Trust Bank Limited**

Principal Branch, Motijheel, Dhaka  
Dilkusha, Dhaka  
Panthapath, Dhaka  
Uttara Model Town, Dhaka  
Dhanmondi, Dhaka  
Progati Sarani, Dhaka  
Pallabi, Dhaka  
Babu Bazar, Dhaka  
Gulshan, Dhaka  
Agrabad, Chittagong  
CDA Avenue, Chittagong  
Jubilee Road, Chittagong  
Zinda Bazar, Sylhet

### **The City Bank Limited**

Principal Office, Dilkusha, Dhaka  
Dhanmondi, Dhaka  
DSE Nikunja, Dhaka  
Dhaka Chamber, Dhaka  
Pragati Sarani, Dhaka  
Uttara, Dhaka  
Karwanbazar, Dhaka  
B. B. Avenue, Dhaka  
Islampur, Dhaka  
VIP Road, Naya Paltan, Dhaka  
Gulshan, Dhaka  
Islami Banking, Motijheel, Dhaka  
Agrabad, Chittagong  
Jubilee Road, Chittagong  
Bandartilla, Chittagong  
OR Nizam Road, Chittagong  
Bandar Bazar, Sylhet  
Zindabazar, Sylhet  
Razabazar, Bogra



Application Form
Application for Units (Shares) by Resident Bangladeshis and Registered Mutual Funds
(Please read the instructions on the back of the form. Incorrectly filled applications shall be rejected)

Grameen One: Scheme Two, the Second Scheme of Grameen Mutual Fund One

To: AIMS of Bangladesh Limited
Unique Trade Center (UTC), Level-6
8 Panthopath, Karwan Bazar
Dhaka-1215, Bangladesh

(Please fill in CAPITAL letters)

Banker's Sl. No.

Dear Sir/ Madam,

I/We apply for the Grameen One: Scheme Two, the second scheme of Grameen Mutual Fund One for Units as indicated below, and I/we agree to accept the same or any smaller number that may be allotted to me/us, subject to the Fund's Deed of Trust and the terms of the approved Prospectus, published in the Daily Prothom Alo on June 05, 2008, which I/we confirm I/we have received and read. I/we declare that I am/we are 18 years of age or over. Further, I/we authorize you to place my/our name(s) on the Register of Unit Holders of the Fund and deposit the said Units to my/our Beneficiary Owner (BO) account as the holder(s) of ..... Units in respect thereof and/or issue a crossed Refund Warrant in respect of any application money returnable by post/courier at my/our risk to the first applicant's address stated below:

- 1. Number of ordinary Units ..... of Tk 10/- each per Unit.
2. Amount of Tk (in figure) ..... Taka (in words) ..... only deposited vide Cash/Cheque/Draft/Pay Order No. .... dated ....., 2008 drawn on ..... Bank Limited, ..... Branch.
3. Beneficiary Owners' (BO) A/C No. : (If you do not mention your valid BO Account number, your application will be treated as invalid)

Grid for Beneficiary Owners' (BO) A/C No.

- 4. Particulars of Applicant(s):
Sole/First Applicant : Mr./Mrs./Ms. ....
Father's/Husband's Name: .....
Mother's Name: ..... E-mail .....
Tel No. .... Occupation: ..... Nationality .....
Postal Address: .....
For refund warrant: Applicant's Bank A/C No.: .....
Name of the Bank: ..... Branch: .....
Second Applicant: Mr./Mrs./Ms.: .....
Father's/Husband's Name: .....
Mother's Name: ..... E-mail .....
Tel No. .... Occupation: ..... Nationality .....
Postal Address: .....

- 5. I/we agree to fully abide by the instruction given herein.
6. I/we hereby declare that I/we have read the Prospectus of Grameen One: Scheme Two, the second scheme of Grameen Mutual Fund One, and have willingly subscribed for ..... number of Units of Tk.10 each per Unit.

- 7. Specimen Signature(s)
First Applicant: [Signature Box]
Second Applicant: [Signature Box]

BANKER'S ACKNOWLEDGEMENT

Certified that this Bank has received Tk ..... (in word ..... ) only from Mr./Mrs./Ms. .... being application money for ..... numbers of ordinary Units of Grameen One: Scheme Two, the second scheme of Grameen Mutual Fund One.

Banker's Sl. No. box

Banker's Sl. No.

Seal and Date box

Seal and Date

Authorized Signature (Name & Designation)

## GRAMEEN ONE: SCHEME TWO APPLICATION FORM

### INSTRUCTIONS FOR RESIDENT BANGLADESHIS AND REGISTERED MUTUAL FUNDS

1. Application Form and Prospectus may be obtained from the registered office of the AMC, office of the Sponsor and/or Trustee, members of DSE and CSE or from the Bankers to the Issue or downloaded from the SEC website: <www.secbd.org>, Grameen Bank website: <www.grameen.com> or AIMS of Bangladesh Limited website: <www.aims-bangladesh.com>.
2. As per provision of Depository Act, 1999 and Regulations made thereunder Units will only be issued in dematerialized condition. Please mention your Beneficiary Owner (BO) Account number on the application form. If you do not mention your valid BO Account number your application will be treated as invalid.
3. All information must be typed or written in full (in block letters) in English or in Bangla and must NOT be abbreviated. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information will make the application liable to rejection and subject to forfeiture of application money and/or forfeit of the Units before or after issuance of the same. The said forfeited application money or Unit will be deposited in an account specified by the SEC. This may be in addition to any other penalties as may be provided for by law.
4. Applications should preferably be made on the prescribed printed forms. In case adequate forms are not available, applicants may use photocopied, cyclostyled, hand written or typed copies of the forms. Joint application form for more than two persons will not be accepted. In the case of joint application, each applicant must sign the application form.
5. An applicant can submit only two applications, one in his/her own name and the other jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, whole or part of application money may be forfeited by the Commission. More than two application by one cheque /DD/PO will also not be accepted. In case an applicant makes more than two applications or multiple applications under one cheque/DD/PO, those in excess shall not be considered for allotment purpose.
6. Applications must be in the full name of individuals or limited companies or societies or trusts, Bangladeshi or foreign, 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 & Articles of Associations and Certificate of Incorporation.
7. Application may be made for a minimum of 500 (five hundred) Units valuing Tk5,000 (taka five thousand) or multiples thereof and must not be for less than 500 (five hundred) Units or fractions thereof, i.e. less than Tk5,000 (taka five thousand) only.
8. All completed application forms together with the subscription for the full amount payable shall be lodged by the investors, other than NRBs and registered Mutual Funds, with any of the branches of the Bankers to the Issue.
9. Payment for subscription by investors, other than NRBs and registered Mutual Funds, may be made to the branches/office of the banks mentioned below, in Cash/Cheque/Pay Order/Bank Draft. The instrument shall be made payable to the bank to which it is submitted and be marked "GRAMEEN ONE : SCHEME TWO" and shall bear the crossing "A/C Payee Only" and must be drawn on a bank in the same town of the bank to which the application form is deposited.
10. No receipt will be issued for the payment made with the application, but the bankers will issue a provisional acknowledgement against an application lodged with them.
11. The registered Mutual Funds shall submit the filled-in application form along with Cheque/Payment Order/Bank Draft directly to the office of **AIMS of Bangladesh Limited, Unique Trade Center (UTC), 8 Panthopath (Level 6), Karwan Bazar, Dhaka 1215, Bangladesh.**
12. Refund against unsuccessful applications will be made by post/courier service through "A/C Payee Only" Refund Warrant(s) with bank account number and name of bank branch as mentioned on the application payable at Dhaka or Chittagong, as the case may be. In the case of a joint application where any amount is refundable in whole or in part the same will be refunded to the person named first on the application form in the manner prescribed in the prospectus.
13. Allotment shall be made solely in accordance with the instructions of the Securities & Exchange Commission (SEC). The Units shall be credited directly to the successful BO accounts within 72 (seventy two) hours of the conduct of allotment lottery. The Scheme intends to commence trading on the bourses within 10 (ten) working days from conduct of lottery for allotment against the public subscription.
14. **For the Bankers to the Issue:**
  - i. Banks shall be obliged to receive the A/C Payee cheque(s) on the closing day of the subscription.
  - ii. Subscription collected by the Bankers shall be remitted to **STD A/C No. 0003-0320000983, Mutual Trust Bank Limited, Panthopath Branch, Chandrashila Suvastu Tower, 69/1 Panthopath, Dhaka 1205, Bangladesh.** Bankers to the Issue will receive a commission at a rate of 0.10% on the respective collected amounts.

**APPLICATIONS NOT IN COMFORMITY WITH ANY OF THE ABOVE REQUIRMENTS SHALL BE REJECTED.**

### BANKERS TO THE ISSUE

**Payments may be made by way of cash, cheque, pay order or bank draft to any of the following branches of the banks listed below:**

<b>AB Bank Limited</b> Principal Branch, Dhaka Motijheel, Dhaka Gulshan, Dhaka Imamganj, Dhaka Kakrail, Dhaka Karwan Bazar, Dhaka Mirpur, Dhaka New Elephant Road, Dhaka North South Road, Dhaka Uttara, Dhaka Board Bazar, Tongi Agrabad, Chittagong CDA Avenue, Chittagong Chawk Bazar, Chittagong Export Processing Zone (EPZ), Chittagong Khatunganj, Chittagong Dargahgate, Sylhet Garden Tower, Sylhet Modhuban Super Market, Sylhet Shamsher Nagar Road, Moulvibazar	Aziz Super Market, Sreemongal Bazar Ghata, Cox's Bazar Dr. Dipinsin Road, Mymensingh Bangabandhu Avenue, Narayanganj Court Road, Brahmanbaria Mogholtooly Road, Comilla K.D.A. Commercial Area, Khulna Benapole, Jessore Jhawtala, Bogra Godagari Road, Chapai Nawabgonj Shaheb Bazar, Rajshahi Sadar Road, Barisal  <b>Investment Corporation of Bangladesh</b> Head Office, Dhaka Local Office, Nayapaltan, Dhaka Agrabad C/A, Chittagong Shaheb Bazar, Rajshahi K.D.A. Commercial Area, Khulna Hemayet Uddin Road, Barisal Chamber Building, Jail Road, Sylhet Station Road, Bogra	<b>The City Bank Limited</b> Principal Office, Dilkusha, Dhaka Dhanmondi, Dhaka DSE Nikunja, Dhaka Dhaka Chamber, Dhaka Pragati Sarani, Dhaka Uttara, Dhaka Karwanbazar, Dhaka B. B. Avenue, Dhaka Islampur, Dhaka VIP Road, Naya Paltan, Dhaka Gulshan, Dhaka Islami Banking, Motijheel, Dhaka Agrabad, Chittagong Jubilee Road, Chittagong Bandartilla, Chittagong OR Nizam Road, Chittagong Bandar Bazar, Sylhet Zindabazar, Sylhet Razabazar, Bogra	<b>Mutual Trust Bank Limited</b> Principal Br, Dilkusha, Dhaka Dilkusha, Dhaka Panthopath, Dhaka Uttara Model Town, Dhaka Dhanmondi, Dhaka Progati Sarani, Dhaka Pallabi, Dhaka Babu Bazar, Dhaka Gulshan, Dhaka Agrabad, Chittagong CDA Avenue, Chittagong Jubilee Road, Chittagong Jinda Bazar, Sylhet
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## GRAMEEN ONE: SCHEME TWO APPLICATION FORM

### INSTRUCTIONS FOR NON-RESIDENT BANGLADESHIS

- i. Copies of Application Form and Prospectus are available with the Bangladesh Embassy/High Commission in USA, UK, Australia, Canada, Saudi Arabia, UAE, Kuwait, Malaysia, Japan, Italy and South Korea. These may also be obtained from the registered office of the AMC, office of the Sponsor and/or Trustee, members of DSE and CSE or from the Bankers to the Issue or downloaded from the SEC website <www.secbd.org>, Grameen Bank website <www.grameen.com> or AIMS of Bangladesh Limited website <www.aims-bangladesh.com>.
- ii. As per provision of Depository Act, 1999 and Regulations made thereunder Units will only be issued in dematerialized condition. Please mention your Beneficiary Owner (BO) Account number on the application form. If you do not mention your valid BO Account number your application will be treated as invalid.
- iii. Applications should preferably be made on the prescribed printed forms. In case adequate forms are not available, applicants may use photocopied, cyclostyled, hand written or typed copies of the forms. Joint application form for more than two persons will not be accepted. In the case of joint application, each applicant must sign the application form.
- iv. An applicant can submit only two applications, one in his/her own name and the other jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, whole or part of application money may be forfeited by the Commission. More than two application by one cheque /DD/PO will also not be accepted. In case an applicant makes more than two applications or multiple applications under one cheque/DD/PO, those in excess shall not be considered for allotment purpose.
- v. All information must be typed or written in full (in block letters) in English or in Bangla and must NOT be abbreviated. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information will make the application liable to rejection and subject to forfeiture of application money and/or forfeit of the Units before or after issuance of the same. The said forfeited application money or Units will be deposited in an account specified by the SEC. This may be in addition to any other penalties as may be provided for by law.
- vi. Applicants shall furnish photocopies of relevant pages of valid passport(s) evidencing his/her NRB status at the time being or dual citizenship, or of the foreign passport bearing an endorsement from the concerned Bangladesh Foreign Mission to the effect that no visa is required for the applicant(s) to travel to Bangladesh. In case of joint NRB applications, both of the joint applicants shall submit papers and documents in support of them being a NRB, failure of which shall invalidate the entire application.
- vii. Application may be made for a minimum of 500 (five hundred) Units valuing Tk5,000 (taka five thousand) or multiples thereof and must not be for less than 500 (five hundred) Units or fractions thereof, i.e. less than Tk5,000 (taka five thousand) only.
- viii. Applications must be sent to the office of **AIMS of Bangladesh Limited** at Dhaka before July 14, 2008 so as to reach within July 23, 2008. Applications with a dispatch postmark after July 14, 2008 or received after July 23, 2008 will be invalid and shall not be considered for allotment purpose.
- ix. Applicants shall submit the filled-in application form along with foreign currency drafts marked “**GRAMEEN ONE: SCHEME TWO**” bearing the crossing ‘A/C Payee Only’ in US Dollar/Pound Sterling/Euro drawn and payable at Dhaka, directly or through a nominee (including a Bank or a Company) to the office of **AIMS of Bangladesh Limited, Unique Trade Center (UTC), 8 Panthopath (Level 6), Karwan Bazar, Dhaka 1215, Bangladesh** <hello@aims-bangladesh.com> or in Taka by paying out of foreign currency deposit account maintained in Bangladesh, for the value of securities applied for, supported by foreign currency encashment certificate issued by the concerned bank, so that the collecting bank can clear the proceeds and deposit the same into the bank account within the prescribed time. The value applied for in foreign currency shall be paid at spot buying rate (TT clean) in US\$, UK Pound Sterling, EUROS of Sonali Bank Ltd. as on date of opening of subscription will be applicable for the Non-resident Bangladeshi (NRB) applicants.
- x. The Fund has opened three “FC Account for Public Issue” in US Dollar, Pound Sterling and Euro with **Mutual Trust Bank Limited, Panthopath Branch, Chandrashila Suvastu Tower, 69/1 Panthopath, Dhaka 1205, Bangladesh (SWIFT Code: MTBLBDDHPPB)** on approval of Prospectus by the SEC; and shall close the account after refund of over subscription, if any.
- xi. The subscription money collected from NRBs in US Dollar shall be deposited in the “Grameen One: Scheme Two (FC Account for IPO Subscription)” No. **USD 0003-026000516** with Mutual Trust Bank Limited, Panthopath Branch, Dhaka Bangladesh. For deposits in Pound Sterling the account number is **GBP 0003-026000534** and for Euro it is **EU 0003-026000525** with the same bank. In case of over subscription, refund shall be made by the Fund out of the “FC Account(s) for Public Issue”.
- xii. In case of bounced/dishonored cheques/drafts, the application will be void at the first instance without any further clearing placement and/or any referral to the applicant. Money receipt of clearance of draft or cheque shall be sent by post to the applicant or faxed or advised through e-mail as is most convenient and efficient.
- xiii. Refund against unsuccessful applications shall be made in the currency in which the value of Units was paid for by the applicant at the same rate the Application was received through ‘A/C Payee Only’ Refund Warrants payable at Dhaka, mentioning bank account number, bank’s name and branch as indicated on the application form.
- xiv. Allotment shall be made solely in accordance with the instructions of the Securities & Exchange Commission (SEC). The Units shall be credited directly to the successful BO accounts within 72 (seventy two) hours of the conduct of allotment lottery. The Scheme intends to commence trading on the bourses within 10 (ten) working days from conduct of lottery for allotment against the public subscription.

**APPLICATIONS NOT IN CONFORMITY WITH ANY OF THE ABOVE REQUIREMENTS SHALL BE REJECTED.**