

CAPITEC PADMA P.F. SHARIAH UNIT FUND

Look beyond your usual income



SPONSOR:
Padma Islami Life Insurance Limited
Employees Provident Fund



TRUSTEE AND CUSTODIAN:
Investment Corporation of
Bangladesh (ICB)



ASSET MANAGER:
Capitec Asset Management Limited



PROSPECTUS
of
CAPITEC PADMA P.F. SHARIAH UNIT FUND

“Look Beyond Your Usual Income”

| | |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------|
| INITIAL SIZE OF THE ISSUE: | Taka 100,000,000 (Ten Crore) divided into 10,000,000 (One Crore) units at par value of Taka 10 (Ten) each. |
| SPONSOR’S CONTRIBUTION: | Taka 10,000,000 (One Crore) divided into 1,000,000 (Ten Lacs) units at par value of Taka 10 (Ten) each. |
| PUBLIC SUBSCRIPTION: | Taka 90,000,000 (Nine Crore) divided into 9,000,000 (Ninety lacs) units at par value of Taka 10 (Ten) each. |

SPONSOR

Padma Islami Life Insurance Limited Employees Provident Fund

TRUSTEE

Investment Corporation of Bangladesh (ICB)

CUSTODIAN

Investment Corporation of Bangladesh (ICB)

ASSET MANAGER

Capitec Asset Management Ltd

Registered Office

Padma Life Tower 10th Floor (Lift 9),

115, Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka 1000.

Telephone: +88-02-9346789

Website: www.capitecbd.com

Email: info@capitecbd.com

SUBSCRIPTION OPENS

August 8, 2018

DAY OF PUBLICATION OF PROSPECTUS

August 5, 2018

The investors are advised, in their own interest, to carefully read the Prospectus, in particular the risk factors before making any investment decision. If you have any queries about this document, you may consult your lawyer, financial advisor/accountant or other relevant professional advisors.



Fund Directory

| | | | |
|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sponsor | Padma Islami Life Insurance Limited Employees Provident Fund Padma Life Tower. 115, Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka 1000. | Asset Manager | Capitec Asset Management Ltd Padma Life Tower 10 th Floor (Lift 9). 115, Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka- 1000. |
| Trustee | Investment Corporation of Bangladesh (ICB) BDBL Bhaban, 8-RAJUK Avenue, P.S. Motijheel, Dhaka-1000. | Custodian | Investment Corporation of Bangladesh (ICB) BDBL Bhaban, 8-RAJUK Avenue, P.S. Motijheel, Dhaka-1000. |
| Auditor | Ahmed Zaker & Co., Chartered Accountants 89 Kakrail, Green City Edge (10th Floor), Dhaka 1000, Bangladesh | Banker | Al-Arafah Islami Bank Ltd Kawran Bazar Branch, Dhaka Trade Center, 99, Kazi Nazrul Islam Avenue, Tejgaon, Dhaka-1229 |
| Investor Relation Office | Capitec Asset Management Ltd Padma Life Tower 10 th Floor (Lift 9). 115, Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka- 1000. | Selling Agent | a) Padma Islami Life Insurance b) SCL Securities Bangladesh c) Al-Arafah Islami Bank Limited |



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Definitions and Elaboration of Abbreviated Terms Used in the Prospectus:

| | |
|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| বিধিমালা/Rules | সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ |
| Act | সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন আইন, ১৯৯৩ |
| Allotment | Letter of Allotment for units. |
| Application Form | A Form meant to be used by an investor to purchase units of the fund. |
| Asset Manager/AMC | The Asset Management Company of the fund i.e. Capitec Asset Management Ltd. |
| BDT/Taka/Tk | Bangladeshi Taka. |
| BO A/C | Beneficiary Owner Account or Depository Account. |
| Book Closer | Sale and repurchase of unit issued by Asset Management Company shall remain closed during the month of July unless the Commission decides otherwise. |
| BSEC / Commission | Bangladesh Securities and Exchange Commission. |
| Business Day | A day not being: A weekend; A day on which purchase and repurchase of units is suspended or a book closure period / record date announced by the Trustee / AMC; or A day on which normal business cannot be transacted due to unavoidable circumstances or such other events as the AMC may specify from time to time; Bank holiday. |
| CDBL | Central Depository Bangladesh Limited. |
| CEO | The Chief Executive Officer of the Asset Management Company. |
| Cheque (MICR Code) | All payment instruments (Cheque/Pay Order/Other Cash Instrument) should be Magnetic Ink Character Recognition (MICR) coded as per the Bangladesh Bank Rules. |
| CIP | Cumulative Investment Plan. |
| Companies Act | কোম্পানি আইন, ১৯৯৪ |
| Confirmation of Unit Allocation | Letter confirming allocation of units. |
| CSE | Chittagong Stock Exchange Limited. |
| Custodian | The Custodian of the fund i.e. Investment Corporation of Bangladesh (ICB). |
| DSE | Dhaka Stock Exchange Limited. |
| Effective Date | The date of registration of the Trust Deed. |
| EPU | Earnings Per Unit. |
| FCY Account | Foreign Currency Account. |
| FI | Financial Institution. |
| FIS | Fixed Income Securities. |
| Government | The Government of the People's Republic of Bangladesh. |
| Guardian | The Trustee of the fund. |
| ICB | Investment Corporation of Bangladesh. |
| IDRA | Insurance Development and Regulatory Authority of Bangladesh. |
| IPO | Initial Public Offering. |
| Issue | Public Issue. |



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| NBFI | Non-Banking Financial Institution. |
| NBR | National Board of Revenue. |
| Net Assets | The excess of assets over liabilities of the fund, computed in the manner specified hereunder. |
| Net Asset Value (NAV) | Net Asset Value of the fund. |
| NRB | Non-Resident Bangladeshi (NRB) means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they have a valid Bangladeshi passport) or those, whose foreign passport bear a stamp from the concerned Bangladesh Embassy/High Commission to the effect that no visa is required to travel to Bangladesh. |
| Offering Price | Price of the Securities of the fund being offered. |
| Ongoing Offer Period | Offer of units of the fund after the closure of the initial offer period. |
| Prospectus | The advertisements or other documents (approved by the BSEC), which contain the investment and all other information in respect of the Mutual Fund, as required by the বিধিমালা and is circulated to invite the public to invest in the Mutual Fund. |
| Reinvestment | Distribution of profit by issuing units as per most recent NAV of the fund. |
| Repurchase | Repurchase of units by the fund from a Unit Holder. |
| Repurchase Price | The price at which units can be redeemed / repurchased and calculated in the manner provided in this offer document prescribed by the Rules and its amendment. |
| RJSC | Registrar of Joint Stock Companies & Firms. |
| Shariah Supervisory Board | The Shariah Supervisory Board responsible for ensuring Shariah compliant investments and operations of the fund. |
| Selling Agent | AMC designated official points for accepting transaction / service requests from investors. |
| Securities | Units of the fund. |
| Sponsor | The Sponsor of the fund i.e. Padma Islami Life Insurance Limited Employees Provident Fund |
| STD A/C | Short Term Deposit Account. |
| Subscription | Application Money. |
| SIP | Systematic Investment Plan. |
| The Fund | CAPITEC Padma P.F. Shariah Unit Fund |
| The Scheme | CAPITEC Padma P.F. Shariah Unit Fund |
| Trustee | The Trustee of the fund i.e. Investment Corporation of Bangladesh (ICB). |
| Unit | One undivided share of the fund. |



Fund Highlights

| | |
|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Fund Name | CAPITEC Padma P.F. Shariah Unit Fund |
| 2. Nature | Open-end Shariah compliant mutual fund |
| 3. Initial Size of the Fund | Taka 100,000,000 divided into 10,000,000 units at par value of Taka 10 each. |
| 4. Tenure & Size of the Fund | Perpetual life and unlimited size. |
| 5. Face Value | BDT 10.00 per unit. |
| 6. Minimum Application Quantity | 500 (five hundred) units for Individuals 5,000 (five thousand) units for Institutions. Not Applicable for SIP Investors |
| 7. Objective | The objective of the fund is to provide risk adjusted return through dividend to unit holders by investing in Islamic shariah compliant securities in the capital market and money market. |
| 8. Prospective Investors | Domestic and foreign institutions, particularly Islamic Financial Institutions, domestic retail investors and Non-Resident Bangladeshis (NRBs), Mutual Funds and Collective Investment Schemes who have a desire in making Shariah compliant investments. |
| 9. Shariah Supervisory Board | The Fund shall be managed under Shariah Law. In this regard a Shariah Supervisory Board shall be formed to ensure the compliance of Shariah Guidance. Hence the Board shall formulate “Shariah Supervisory Guidance” for the fund and submit it to the commission. |
| 10. Dividend Policy | Minimum 70% (seventy) income of the fund shall be distributed as dividend in Bangladeshi Taka only at the end of each accounting year. The Fund shall create a dividend equalization reserve to ensure consistency in dividend payout. |
| 11. Mode of Distribution | The dividend will be distributed within 45 days from the date of declaration. |
| 12. Transferability | The units of the fund shall be freely transferable by way of inheritance/gift and/or by specific operation of the law. |
| 13. Systematic Investment Plan (SIP) | Systematic Investment plan or SIP allows investor to invest a certain predetermined amount at a regular interval (monthly, quarterly, semiannually, annually, etc.). SIP is a planned approach towards investments and helps to inculcate the habit of saving and building wealth for the future. Investor can start SIP with a very small amount i.e. minimum BDT 1,000 or any multiple of BDT 1,000. |
| 14. Encashment | The unit holders can surrender their units during the business hours as specified by the Asset Management Company. The Asset Management Company shall be liable to Repurchase the units on behalf of the fund. |
| 15. Tax Benefit | Income will be tax free up to certain level, which is permitted as per finance act. Investment in the fund would qualify for investment tax credit under section 44 (2) of the Income Tax Ordinance 1984. Details regarding this tax benefit has discussed in the chapter 6 of this prospectus. |
| 16. Reports & Financials | Yearly, Half-yearly, Quarterly Financial Statements and Prospectus of the fund shall be available on the website of the Asset Management Company (www.capitecbd.com). |



ফান্ড/ তহবিল এর সংক্ষিপ্ত বিবরণী

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| ১) নাম | ক্যাপিটেক পদ্মা পি.এফ. শরীয়াহ্ ইউনিট ফান্ড। |
| ২) ধরণ | বে-মেয়াদী ইসলামীক শরীয়াহ্ মিউচুয়াল ফান্ড। |
| ৩) ফান্ডের প্রাথমিক আকার | টাকা ১০,০০,০০,০০০ (দশ কোটি) ১,০০,০০,০০০ (এক কোটি) ইউনিটে বিভক্ত যার প্রতিটির অভিহিত মূল্য ১০ টাকা। |
| ৪) মেয়াদ ও আকার | আজীবন মেয়াদী এবং সীমাহীন আকার। |
| ৫) অভিজিত মূল্য | প্রতি ইউনিটের মূল্য ১০ (দশ) টাকা। |
| ৬) নূন্যতম বিনিয়োগ | ব্যক্তি বিনিয়োগকারীগণের জন্য প্রতি আবেদনে ৫০০ ইউনিট প্রাতিষ্ঠানিক বিনিয়োগকারীগণের জন্য প্রতি আবেদনে ৫,০০০ ইউনিট (নিয়মিত বিনিয়োগ পরিকল্পনা বা SIP বিনিয়োগকারীগণের প্রযোজ্য নয়।) |
| ৭) উদ্দেশ্য | এই ফান্ডটির উদ্দেশ্য হচ্ছে ইসলামীক শরীয়াহ্ অনুযায়ী বাংলাদেশের পুঁজিবাজার এবং অর্থবাজার পত্রকোষে (সিকিউরিটিজ) বিনিয়োগের মাধ্যমে ঝুঁকি সমন্বয় করে বিনিয়োগকারীদের লভ্যাংশের মাধ্যমে রিটার্ন প্রদান করা। |
| ৮) সম্ভাব্য বিনিয়োগকারী | দেশী এবং বিদেশী প্রতিষ্ঠান, বিশেষ করে ইসলামী আর্থিক প্রতিষ্ঠান, দেশে বসবাসকারী এবং প্রবাসী ব্যক্তি (এনআরবি), মিউচুয়াল ফান্ড এবং সমষ্টিগত তহবিলের স্কিমসমূহ যারা শরীয়াহ্ অনুযায়ী বিনিয়োগ করতে চায়। |
| ৯) শরীয়াহ্ উপদেষ্টা বোর্ড | ইসলামীক শরীয়াহ্ অনুযায়ী বিনিয়োগ নিশ্চিত করার জন্য একটি শরীয়াহ্ সুপারভাইজরী বোর্ড গঠন করা হবে এবং এই শরীয়াহ্ সুপারভাইজরী বোর্ড একটি "শরীয়াহ্ সুপারভাইজরী বোর্ড উপবিধি", প্রণয়নের মাধ্যমে সম্পদ ব্যবস্থাপকের সাথে কাজ করবে। |
| ১০) লভ্যাংশ নীতি | প্রতিটি হিসাব বছরের শেষে ফান্ডের বার্ষিক আয়ের নূন্যতম ৭০% (সত্তর শতাংশ) লভ্যাংশ হিসেবে বাংলাদেশি টাকায় বিতরণ করা হবে। লভ্যাংশ পরিশোধের ধারাবাহিকতা নিশ্চিত করার জন্য ফান্ডটি একটি লভ্যাংশ সমতাকরণ সঞ্চিতি তৈরি করবে। |
| ১১) লভ্যাংশ বিতরণ | লভ্যাংশ ঘোষনার ৪৫ (পঁয়তাল্লিশ) দিনের মধ্যে ইউনিটহোল্ডারদের লভ্যাংশপত্র/ ডিভিডেন্ড ওয়ারেন্ট বিতরণ করা হবে। |
| ১২) হস্তান্তরের যোগ্যতা | উত্তরাধিকার/ উপহার অথবা আইন দ্বারা অনুমোদিত ভাবে এই ফান্ডের ইউনিটসমূহ হস্তান্তর করা যাবে। |
| ১৩) এসআইপি (SIP) বা নিয়মিত বিনিয়োগ পরিকল্পনা | এসআইপি (SIP) বা নিয়মিত বিনিয়োগ পরিকল্পনা এর মাধ্যমে বিনিয়োগকারীরা নির্দিষ্ট সময় অন্তর (মাসিক, ত্রৈমাসিক, বাৎসরিক প্রভৃতি) পূর্বনির্ধারিত পরিমাণ অর্থ বিনিয়োগ করবেন। ভবিষ্যৎ এর জন্য সঞ্চয় ও সম্পদ গড়ার লক্ষ্যে এবং বিনিয়োগের জন্য, এটি একটি কার্যকরী বিনিয়োগ পরিকল্পনা। বিনিয়োগকারীরা নূন্যতম ১,০০০ টাকা অথবা ৫০০/১,০০০ টাকার গুণিতকের সমপরিমাণ অর্থ বিনিয়োগ করে এসআইপি শুরু করতে পারবেন। |
| ১৪) নগদায়ন | ইউনিটহোল্ডারগণ তাদের ইউনিট সম্পদ ব্যবস্থাপকের মাধ্যমে অথবা সম্পদ ব্যবস্থাপকের নিয়োগপ্রাপ্ত বিক্রয় প্রতিনিধির মাধ্যমে নগদায়ন করতে পারবেন। |
| ১৫) কর রেয়াত জনিত সুবিধা | ক) Income Tax Ordinance, 1984 অনুযায়ী মিউচুয়াল ফান্ড অথবা ইউনিট ফান্ড হতে অর্জিত আয়ের একটি নির্দিষ্ট সীমা পর্যন্ত করের আওতামুক্ত থাকবে। খ) Section 44 (2), Income Tax Ordinance, 1984 অনুযায়ী বিনিয়োগ কর সম্মানী (Investment Tax Credit) সুবিধা পাওয়া যাবে। এ সম্পর্কে বিস্তারিত আলোচনা প্রসপেক্টাসের চ্যাপটার ৬ এ বর্ণিত আছে। |
| ১৬) প্রসপেক্টাস, বার্ষিক প্রতিবেদন এবং হিসাব সমূহ | প্রত্যেক বিনিয়োগকারী সম্পদ ব্যবস্থাপকের ওয়েবসাইট (www.capitecbd.com) থেকে ফান্ড প্রসপেক্টাস এবং ফান্ডের বার্ষিক, অর্ধবার্ষিক ও ত্রৈমাসিক আর্থিক হিসাব দেখতে পারবেন। এছাড়া ইউনিটহোল্ডারগণ সম্পদ ব্যবস্থাপকের ওয়েবসাইটে পোর্টফোলিওর প্রান্তিক প্রতিবেদনও পাবেন। |



Chapter 1. PRELIMINARY

1.1. Publication of Prospectus for Public Offering

Capitec Asset Management Ltd has received registration certificate from the Bangladesh Securities & Exchange Commission under Securities & Exchange Commission Act, 1993 and সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ made there under and also received consent for issuing prospectus of the public offering on July 31, 2018. A complete copy of the prospectus is available for public inspection at Padma Life Tower 10th Floor (Lift 9). 115, Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka- 1000 - the registered office of the asset manager of CAPITEC Padma P.F. Shariah Unit Fund, hereinafter referred to as 'the fund'.

1.2. Approval of The Bangladesh Securities and Exchange Commission (BSEC)

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

1.3. Listing of Fund

This Fund is an open-end fund, so it will not be listed with any stock exchanges of Bangladesh. The units of the fund will not be traded in the stock exchanges unless otherwise BSEC and stock exchange houses make arrangement in future. In that case public communication shall be made as per BSEC's approval.

Fund units will be available for sale and surrender/repurchase on weekly working days except on the last working day of every week, during book closure period and record date of the fund at the office of the Asset Manager and the offices of authorized Selling Agent(s). Asset Manager shall disclose selling price and surrender/repurchase price of the units at the beginning of business operation on the first working day of every week as per the Rule.

1.4. Documents Available for Inspection

1. Copy of this Prospectus shall be available in the registered office of the Asset Manager, the offices of authorized Selling Agent(s), website of the Asset Manager (www.capitecbd.com) and also at the website of Bangladesh Securities and Exchange Commission (www.sec.gov.bd).
2. Copy of the Trust Deed and Investment Management Agreement will be available for public inspection during business hours at the registered office of the Asset Manager of the fund. The Trust Deed and Investment Management Agreement may also be viewed on the website of the Capitec Asset Management Ltd (www.capitecbd.com). One will be able to purchase a copy of the trust deed by paying the price as determined by the Asset Manager.

1.5. Conditions Under Section-2CC of The Securities and Exchange Ordinance, 1969

1. The Fund shall not account for any upward revaluation of its assets creating reserve without clearance from the Bangladesh Securities and Exchange Commission;
2. The Fund shall not be involved in option trading, short selling or carry forward transactions;



3. A confirmation of Unit Allocation shall be issued at the cost of the fund at par value of Tk. 10.00 (ten) each within 90 (ninety) days from the date of sale of such units;
4. Money receipt/acknowledgement slip issued at the time of sale of units will be treated as allotment, which shall not be redeemable/ transferable;
5. The annual report of the fund or its abridged version will be published within 45 (forty five) days of the closure of each accounting year of the fund;
6. An annual report and details of investment and savings of the fund shall be submitted to the Commission, Trustee and Custodian of the fund within 90 (ninety) days from the closure of the accounts;
7. Half-yearly accounts/financial results of the fund will be published in at least one English and another Bangla national daily newspapers within 30 (thirty) days from end of the period;
8. Dividend shall be paid within 45 (forty five) days of its declaration, and a report shall be submitted to BSEC, Trustee and Custodian within 7 (seven) days of dividend distribution;
9. Net Asset Value (NAV) of the fund shall be calculated and disclosed publicly at least once a week;
10. The detail portfolio statement consisting of capital market and other than capital market holdings of the fund shall be disclosed in the website of the AMC on quarterly basis;
11. After initial public subscription, the sale and repurchase/surrender price of units will be determined by the Asset Management Company. NAV at market price calculated on a date shall form the sale price of units by rounding up the amount and shall be effective up to next calculation of NAV of the fund. Difference between sale and repurchase price shall primarily be Tk. 0.30, which may be changed in future, but not be over 5% of the sale price of the unit. The Asset Manager may reduce the difference with the approval of the Trustee;
12. BSEC may appoint auditors for special audit/investigation on the affairs of the fund, if it so desires;
13. The Fund shall maintain separate bank account(s) to keep the sale proceeds of units and to meet up day-to-day transaction including payment against Repurchase of units. All transactions of the account shall be made through banking channel and shall be properly documented;
14. The prospectus/abridged version of the prospectus shall be published in one widely circulated Bengali national daily newspaper. Provided that information relating to publication of prospectus be published in two national daily newspapers (Bengali and English);
15. The abridged version of the prospectus published in the newspaper, complete prospectus shall be made available to the applicants;
16. If the Asset Manager fails to collect minimum 40% of the initial target amount under বিধি ৪৮ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, will refund the subscription money within 30 days without any deduction. In case of failure, the fund Manager will refund the same with an interest @18 percent per annum from its own account within the next month;
17. On achievement of 40% of the initial target amount, the fund is allowed to commence investment activities of the fund with permission of the Trustee;



18. The size of the fund will be increased from time to time by the AMC subject to approval of the Trustee and with intimation to the Commission;
19. Confirmation of Unit Allocation of the Sponsor's contribution amounting to Taka. 10,000,000.00 (Taka one crore) only shall be subject to a lock-in period of minimum three years from the date of formation of the fund and after that period, entire holding may be transferred to any eligible institution who has the qualification to be a Sponsor of a mutual fund with prior permission of BSEC;
20. A Confirmation of Unit Allocation amounting Taka. 10,000,000.00 (10% of the fund) will be issued in favor of the Sponsor. The said confirmation letter shall be in the custody of the Trustee. No splitting of the Unit of Sponsor shall be made without prior approval of the Commission;
21. Annual fee of the fund shall be submitted to the Commission on the fund size i.e. year-end Net Asset Value at market price of the fund on advance basis as per Rule; and may adjust the fee in the next year if necessary.

Please ensure that the following are adhered to:

1. As per provisions contained in the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ regarding limitation of time on closure of subscription, the initial public subscription will remain open for 45 (forty five) days or for a period up to achievement of the initial target amount, whichever is earlier;
2. The paper cutting of the published prospectus and all other published documents/notices regarding the Unit Fund shall be submitted to the Commission within 24 hours of publication thereof;
3. The asset management company shall submit 10 (ten) copies of printed prospectus to the Commission for official record;
4. The asset management company shall ensure in writing to the Commission that the prospectus/abridged version in published correctly and is a verbatim copy of the prospectus/abridged version vetted by the Commission;
5. The AMC shall apply the spot buying rate (TT clean) of Sonali Bank prevalent on the date of opening of subscription for conversion of foreign currencies;
6. The AMC shall submit to the Commission a diskette containing a vetted prospectus and its' abridged version;
7. All conditions imposed under Section 2CC of the Securities and Exchange Ordinance, 1969 must be complied with and be incorporated in the body of the prospectus and in its abridged version;
8. After due approval by the Trustee regarding issue and formation expenses, the AMC shall submit in detail to the Commission regarding issue and formation expenses within 15 days of Fund operation.

1.6. Sale and Repurchase of Units

Sale and Repurchase of units of CAPITEC Padma P.F. Shariah Unit Fund shall commence at the counter of the office of Capitec Asset Management Ltd and at the office of the authorized Selling Agent(s) at the opening of business hours on August 8, 2018 and shall continue until winding up of the fund.



The Asset Manager will maintain BO account with Investment Corporation of Bangladesh (ICB), the Custodian of CAPITEC Padma P.F. Shariah Unit Fund for creation and redemption of the units of the fund. In case of purchase of the units by the investor, units will be transferred to the Unit holders BO account as per the instruction of Capitec Asset Management Ltd after the acceptance of demat setup by the Custodian.

In case of redemption/repurchase of the units by the Asset Manager, units will be taken out from the Central Depository System after setting up remat request by the Custodian and acceptance of remat request by the Asset Manager.

1.7. Systematic Investment Plan (SIP)

There will be a Systematic Investment Plan (SIP) for the investors after the formation of the fund. SIP is a smart and hassle free mode for investing money in mutual funds. SIP allows an investor to invest a certain pre-determined amount at a regular interval (monthly, quarterly, yearly etc.). It is a planned approach towards investments and helps to inculcate the habit of saving and building wealth for the future.

1.7.1. Buy and Surrender process in SIP:

An investor can invest through SIP either by auto debit system provided against investor's Bank Account or by providing monthly predetermined cheques via selling agents at a regular interval (monthly, quarterly, yearly etc.). Investor must have a BO Account; he/she/the institutional holder will get the units in his/her/the institutional holder's BO Account and may get a discount from ongoing Weekly "Investor's Buy Price" of the fund.

It is advisable to continue SIP investments with a long-term perspective, there is no compulsion. Investors can discontinue the plan at any time. If an investor wants to terminate the SIP before two (2) years, 1% discount from the "Investor's sale/surrender price" may be applicable on total accumulated invested amount on the date of cancellation of the scheme. After maturity of SIP, the investor can easily surrender his/her/the institutional holder's total units through the Asset Manager or the Selling Agents.

1.7.2. Benefits may be offered for Investors such as:

SIP encourages a disciplined investment; while invested through SIP, investor commits himself/herself to save regularly. Different benefits may be offered as follows:

- 1) *Flexibility:* Investor can start SIP with a very small amount that is 1,000/2,000/3,000/4,000/5,000 or multiple of 500/1000. One can also increase/ decrease the amount being to be invested in regular basis.
- 2) *Flexible SIP Tenor:* The SIP will be offered for at least 2 years or any other higher period set by the Asset Manager. However, investor can set SIP scheme for 3 years/5 years/7 years /10 years. After this period, the individual scheme will be matured and may surrender or continue after maturity. If surrendered, no fees /charges may be charged on surrender and may also offer highest premium over the declared surrendered price at that time.
- 3) *No Minimum Lot Size:* There will be no minimum lot size under the SIP as like normal investors. Based on "Investor's Buy Price" per unit available for SIP investors, units will be credited to investor's BO account. However, any fraction amount remaining will be converted when it sums up to one unit. The fractional amount will be kept as liability of the fund in a separate account head.
- 4) *Buy at Discount and Surrender at Premium:* SIP investor may buy units at a discount from Weekly "Investor's Buy Price" offered to the normal investors. In addition to that, SIP investor may



surrender at a premium of repurchase price offered to normal unit holders at maturity as per SIP brochure.

- 5) *CIP Option for the SIP Investors:* SIP investors can choose either option of cash dividend or cumulative investment plan (CIP). If a SIP investor chooses CIP (i.e. Dividend reinvestment process) instead of cash dividend, they may also enjoy CIP units at a discount of prevailing “Investor’s Buy Price” used for CIP conversion. After CIP conversion, they will get dividend on total number of units in the next year.

Detailed of SIP Scheme, Scheme information will be provided in the Scheme Brochure in future.

1.8. Declarations

Declarations about the Responsibility of the Sponsor

We, as the Sponsor of the CAPITEC Padma P.F. Shariah Unit Fund, accept the full responsibility and confirm the authenticity and accuracy of the information contained in this Prospectus and other documents regarding the CAPITEC Padma P.F. Shariah Unit Fund. To the best of the knowledge and belief of the Sponsor, who has taken all reasonable care to ensure that all conditions and requirements concerning this public offer and all the information contained in this document, drawn up by virtue of the Trust Deed of the fund by the entrusted AMC, have been met and there is no other information or documents, the omission of which may make any information or statements therein misleading.

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

Sd/-

Chowdhury Mohammad Wasiuddin

Chairman, Trustee Board

Padma Islami Life Insurance Limited Employees Provident Fund.



Declarations about the Responsibility of the Trustee

We, as the Trustee of the CAPITEC Padma P.F. Shariah Unit Fund, accept the responsibility and confirm that we shall:

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

Sd/-

Md. Taleb Hossain
Deputy General Manager
Investment Corporation of Bangladesh (ICB).

Declarations about the Responsibility of the Custodian

We, as the Custodian of the CAPITEC Padma P.F. Shariah Unit Fund accept the responsibility and confirm that we shall:

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

Sd/-

Md. Taleb Hossain
Deputy General Manager
Investment Corporation of Bangladesh (ICB).



Declarations about the Responsibility of the Asset Management Company

We, as the Asset Manager of the CAPITEC Padma P.F. Shariah Unit Fund, accept the responsibility and confirm that:

This Prospectus has been prepared by us based on the Trust Deed, Investment Management Agreement, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ and other documents as relevant for adequate disclosure of the fund's objectives and investment strategies to the investors.

We as the Asset Manager of the fund also confirm that:

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

Investors should be aware that the value of investments in the fund could be volatile and as such no guarantee can be made about the returns from the investments that the fund will make. Like any other equity investment, only investors who are willing to accept a moderate amount of risk, should invest in the fund. Investors are requested to pay careful attention to the "Risk Factors" as detailed in Chapter 4 and to take proper cognizance of the risks associated with any investment in the fund.

Sd/-

M. Mahfuzur Rahman
Managing Director
Capitec Asset Management Ltd



1.9. Due Diligence Certificates

DUE DILIGENCE CERTIFICATE BY SPONSOR

চতুর্থ তফসিল-(১) এর (জ) [বিধি ৪৩(৩) দ্রষ্টব্য]

The Honorable Chairman
Bangladesh Securities and Exchange Commission
Securities Commission Bhaban,
E-6/C, Agargaon Sher-e-Bangla Nagar Administrative Area
Dhaka-1207, Bangladesh.

Subject: CAPITEC Padma P.F. Shariah Unit Fund.

We, the sponsor of the above-mentioned forthcoming mutual fund, state as follows:

1. We, as the sponsor to the above mentioned fund, have examined the draft prospectus and other documents and materials as relevant to our decision; and
2. We warrant that we shall comply with the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, Trust Deed of the fund and the rules, orders, guidelines, directives, notifications and circulars that may be issued by Commission from time to time in this respect.

WE CONFIRM THAT:

- (a) All information in the draft prospectus forwarded to the Commission is authentic and accurate;
- (b) We as sponsor of the fund as mentioned above will act as per clauses of the trust deed executed with the trustee and shall assume the duties and responsibilities as described in the trust deed and other constitutive documents;
- (c) We shall also abide by the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ and conditions imposed by the Commission as regards of the fund; and
- (d) We shall act to our best for the benefit and interests of the unit holders of the fund.

For Sponsor

Sd/-

(Chowdhury Mohammad Wasiuddin)
Chairman, Trustee Board
Padma Islami Life Insurance Limited Employees Provident Fund



DUE DILIGENCE CERTIFICATE BY TRUSTEE

চতুর্থ তফসিল-(১) এর (জ) [বিধি ৪৩(৩) দ্রষ্টব্য]

No. 42.368/2244

Chairman
Bangladesh Securities and Exchange Commission
Securities Commission Bhaban,
Plot# E-6/C, Sher-e-Bangla Nagar
Agargaon, Dhaka-1207

Subject: CAPITEC Padma P.F. Shariah Unit Fund.

We, the under-noted trustee to the above-mentioned forthcoming mutual fund, state as follows:

1. We, while act as trustee to the above mentioned fund on behalf of the investors, have examined the draft prospectus and other documents and materials as relevant to our decision; and
2. We warrant that we shall comply with the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, Dhaka Stock Exchange (Listing) Regulations, 2015, Chittagong Stock Exchange (Listing) Regulations, 2015, Trust Deed of the fund and the Rules, guidelines, circulars, orders and directions that may be issued by the Bangladesh Securities and Exchange Commission from time to time in this respect.

WE CONFIRM THAT:

- a) All information and documents as are relevant to the issue have been received and examined by us and the draft prospectus forwarded to the Commission has been approved by us;
- b) We have also collected and examined all other documents relating to the fund;
- c) While examining the above documents, we find that all the requirements of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ have been complied with;
- d) We shall act as trustee of the fund as mentioned above as per provisions of the trust deed executed with the sponsor and shall assume the duties and responsibilities as described in the trust deed and other constitutive documents;
- e) We shall also abide by the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ and conditions imposed by the Commission as regards of the fund; and
- f) We shall act to our best for the benefit and sole interests of the unit holders of the fund;

Your's Faithfully

Sd/-

(Md. Taleb Hossain)
Deputy General Manager



DUE DILIGENCE CERTIFICATE BY CUSTODIAN

চতুর্থ তফসিল-(১) এর (জ) [বিধি ৪৩(৩) দ্রষ্টব্য]

No, Cust-19/706

Chairman
Bangladesh Securities and Exchange Commission
Securities Commission Bhaban,
Plot# E-6/C, Sher-E-Bangla Nagar
Agargaon, Dhaka-1207

Subject: CAPITEC Padma P.F. Shariah Unit Fund.

We, the under-noted custodian to the above-mentioned forthcoming mutual fund, state as follows:

1. We, while act as custodian to the above mentioned fund on behalf of the investors, shall comply with the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, Depository Act, 1999, Depository Regulation, 2000, Depository (User) Regulation, 2003, Trust Deed of the fund and the Rules, guidelines, circulars, orders and directions that may be issued by the Bangladesh Securities and Exchange Commission from time to time in this respect.

WE CONFIRM THAT:

- a) We will keep all the securities (both listed and unlisted) and Assets of the "CAPITEC Padma P.F. Shariah Unit Fund" including Shariah complaint FDR receipts in safe and separate custody as per বিধি ৪১ of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ and will provide highest security for the assets of the fund;
- b) We shall act as custodian of the fund as mentioned above as per provisions of the custodian agreement executed with the asset management company and shall assume the duties and responsibilities as described in the trust deed of the mentioned fund and other constitutive documents;
- c) We shall also abide by the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ and conditions imposed by the Commission as regards of the fund; and
- d) We shall act to our best for the benefit and sole interests of the unit holders of the fund;

Your's Faithfully

Sd/-

(Md. Taleb Hossain)
Deputy General Manager



DUE DILIGENCE CERTIFICATE BY ASSET MANAGER

চতুর্থ তফসিল-(১) এর (জ) [বিধি ৪৩(৩) দ্রষ্টব্য]

The Honorable Chairman
Bangladesh Securities and Exchange Commission
Securities Commission Bhaban,
E-6/C, Agargaon, Sher-e-Bangla Nagar Administrative Area
Dhaka-1207, Bangladesh.

Subject: CAPITEC Padma P.F. Shariah Unit Fund.

We, the under-noted Asset Manager to the above mentioned forthcoming mutual fund, state as follows:

1. We, while act as asset manager to the above mentioned mutual fund, declare and certify that the information provided in the prospectus, is complete and true in all respects;
2. We further certify that we shall inform the Bangladesh Securities and Exchange Commission immediately of any change in the information of the fund; and
3. We warrant that we shall comply with the Securities and Exchange Ordinance, 1969, the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, Dhaka Stock Exchange (Listing) Regulations, 2015, Chittagong Stock Exchange (Listing) Regulations, 2015, and the Rules, guidelines, circulars, orders and directions that may be issued by the Bangladesh Securities and Exchange Commission from time to time in this respect.

WE CONFIRM THAT:

- a) The draft prospectus forwarded to the Commission is in conformity with the documents, materials and papers relevant to the fund;
- b) All the legal requirements connected with the said fund have been duly complied with; and
- c) The disclosures made in the draft prospectus are true, fair and adequate to enable the investors to make a well-informed decision for investment in the proposed fund.

For the Asset Manager

Sd/-

M. Mahfuzur Rahman
Managing Director
Capitec Asset Management Ltd



Chapter 2. BACKGROUND

2.1. Preamble to the formation of CAPITEC Padma P.F. Shariah Unit Fund

A mutual fund is a professionally managed investment fund which pools money from unit holders and invests in a diversified portfolio of equity and fixed income securities. The mutual fund industry has a long history tracing as far back as the early 1800's with its modest beginnings generally considered to be in Europe. Today flourished globally, mutual funds are widely considered as a dependable investment vehicle to offer investors attractive risk adjusted returns by pooling assets for various investment purposes. The mutual fund industry came into widespread public prominence in the mid-1980s and during the 1990s technology boom. Fund managers like Michael Price and Peter Lynch, were considered as the investment gurus because of their impressive mutual fund returns in those days. Since then this industry has gone through peaks and troughs but have largely managed to grow and amplify both in the developing and developed markets of the world*. The mutual fund industry in Bangladesh is still at its early or emerging stage, offering room for greater growth and product innovation. In Bangladesh, initially the fund managers and investors exhibited their growing interest on closed-end mutual funds, the space for promoting open-ended funds have also been created subsequently. Investing in mutual funds especially for retail investors is considered as an attractive proposition mainly due to:

Professional Investment Management: Funds are actively managed by experienced investment professionals who make informed investment decisions based on continuous research of the economy, market and companies with a view to limit downside risk and improve the upside potential.

Portfolio Diversification: Mutual funds enjoy risk diversification, a key to smart investing through diversification of the pooled investment which usually reduces the risk per adjusted return for the small and retail investors.

Economies of Scale: Mutual funds by pooling together a large portfolio can negotiate competitive commissions and fees, which results in lower costs to the investors.

Transparency of the fund: Mutual funds being highly regulated investment vehicles which are formed and operated adhering to the rules and regulations set by the Bangladesh Securities and Exchange Commission (BSEC) under the supervision of a Board of Trustees and have to disclose relevant information to the Trustee, BSEC, Custodian and the public as prescribed in the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.

Less Stress: Investment management often results in emotional stress for an investor who is not a professional in the field of asset management. Whereas, fund managers being specialists in the field can engage themselves in an organized and disciplined way of investment management. Investing in mutual fund eases a general investor by transferring the responsibility of managing investment to professional fund managers.

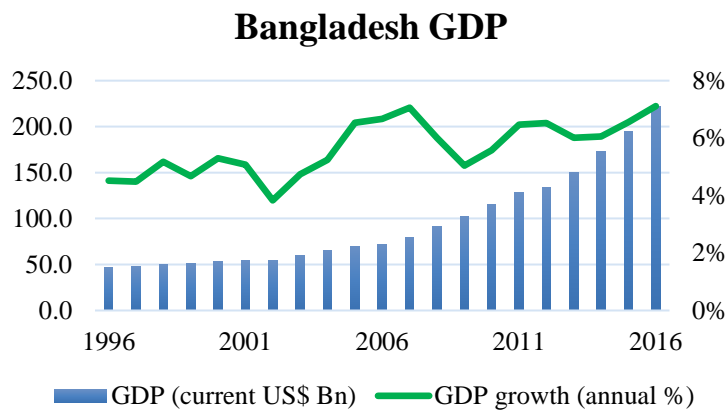


2.2. Rationale Behind the Proposed Mutual Fund in the Context of Present Market Scenario

Macroeconomic Status and Outlook of Bangladesh

Bangladesh has announced as one of the Next 11 Economies by renowned investment bank Goldman Sachs, Frontier 5 Economies by the J. P. Morgan, and PWC expected the country to become the 23rd largest economy in 2050. Bangladesh achieved lower-middle income country's status from the World Bank in July 2015. The economic transformation began with emerging from agriculture intensive economy to manufacturing followed by gradual shift towards the service sectors. Additionally, young people represents nearly half total population so the country yet to get full potential from the demographic dividend in coming years. Measures are taken to invest in education, healthcare sector and most importantly in developing infrastructure. Government is working on Fast Track Infrastructure Projects on priority basis and when the right infrastructure is in place, the country will see the robust growth in economy.

The economy of Bangladesh has been growing with an average of 6% to 7% growth rate during last decade. At present, the size of economy is over US\$ 220 Billion (Bn) and World Bank expects the Real GDP growth will be around 7% in coming years. In the National Budget for the Fiscal Year 2019, GDP growth target has been set at 7.80% where provisional estimates for FY18 GDP growth rate was 7.65%, and actual GDP growth rate was 7.28% in FY17.



Source: World Bank

Savings and Investment

The Gross Domestic Savings in Bangladesh was US\$ 55 Bn as of 2016 and it has been around 22%-23% of GDP since FY13. The domestic savings increased to 25.33 in FY17 from 24.98 in FY16. Over the past 56 years, the value for this indicator has fluctuated between US\$ 55 Bn in 2016 and US\$ 301 Million in 1976. This shows that people are saving more day by day and if this savings is turned into investments, the overall economy will grow multifold. In FY17, Investment as percentage of GDP constitutes 30.51% where Private Investment consists of 23.10% of the GDP.

Opportunity in Capital Market and Mutual Fund

Globally, the capital market has been one of the most significant factors of economic development. Bangladesh stock market has grown robustly in the last few years. However, the market capitalization to GDP ratio stands at around 22% in Bangladesh. The capital market has significant growth prospect relative to many other regional markets, in terms of increasing market turnover, depth and both local and foreign



institutionalization of the market. The regulation is being very favorable for developing capital market as well as for development of different asset classes like fixed income, public equities and private equities.

In capital market, investors look for risk adjusted return from their investment from equities. Mutual funds became one of the mainstream investment instruments for investors in last few years since the funds provide opportunities to realize financial gain through professional fund managers. At present, the capital market of Bangladesh is quite undervalued and further possibility of downside is not being expected. So, this is the high time to invest in capital market through mutual funds. Also, after the new public issue rules, there are many IPOs in the pipeline and each mutual fund have eligible investors quota in IPOs. When the IPO goes public, mutual funds will gain as well.

There are around 37 closed end mutual funds and 42 open end funds in operation, but only 10 out of 79 funds is Shariah or Islamic fund. Given the market demand of this Muslim majority country, the number of shariah compliant funds are relatively low so there's growing scope in offering shariah compliant mutual funds to general investors, provident funds, high net worth individual investors and institutions.

2.3. Advantages of Investing in CAPITEC Padma P.F. Shariah Unit Fund

Investment in Mutual fund offers certain advantages over direct investment in securities in capital market. The following are the benefits of investing in CAPITEC Padma P.F. Shariah Unit Fund:

1. *Shariah Compliant Investment:* The fund is a shariah compliant mutual fund, so it will not invest in businesses producing alcohol, tobacco, conventional financial services (banking, insurance, etc.), weapons and entertainment. The Fund will also strictly ban investing in interest-paying instruments (Riba) frequently used by mutual funds as temporary investments, thus ensuring compliance with Shariah Law. There will be a Shariah Supervisory Board composed of nationally and internationally renowned Islamic scholars who will oversee the operating and investment activities of the fund time to time.
2. *Diversification Benefit:* Mutual fund lowers the downside risk for investors through diversification of the portfolio into multiple sectors, companies, securities, and via investing in various asset classes. The asset manager through its professional judgment will attempt to maximize return for a given level of risk and always conduct a balance in the risk-return tradeoff.
3. *Access to Wider Market:* Mutual funds through its pool of investments will provide small investors access to returns of the wider market, which will not be very costly for retail investors to achieve.
4. *Enhanced Liquidity:* Greater participation of mutual funds will add to liquidity to the overall market and, since most mutual funds are long term investment vehicles, this will create price stability and better price discovery and reduce short term volatility in market.
5. *Fundamental and Technical Analysis:* The fund's performance will benefit from the CAPITEC Padma P.F. Shariah Unit Fund's investment process and research tools for both fundamental and technical analysis; The asset manager has a highly skilled in-house research team who are experienced investment professionals dedicated to analyzing in depth the Bangladesh stock market, its scripts and the impact of the broader macro factors that impact the markets.
6. *Low Transaction Cost:* The investors will be able to save significantly in transaction costs as he/she will have access to a large number of securities by purchasing a single unit of the mutual fund.



7. *Income Tax Exemption:* Income will be tax free up to a certain level, as permitted under the Finance Act. Investment in the fund would qualify for investment tax credit under section 44(2) of the Income Tax Ordinance 1984.
8. *Increased IPO and EI Quota:* In Bangladesh, mutual funds enjoy a 10% (ten percent) reserved quota for all Initial Public Offerings (IPOs). IPOs in Bangladesh have historically performed very well relative to the market index and have positively contributed to mutual fund performance. Mutual funds are recognized as Eligible Investor (EI) having a quota to participate in the Price Discovery Process in the Book Building Method also.
9. *Cumulative Investment Plan (CIP):* CAPITEC Padma P.F. Shariah Unit Fund offers the investors to choose either to receive dividend or to allow the fund Manager to reinvest their dividend in the market. This flexibility allows investors to choose a plan according to their preference. While liquidating their units, the unit holders can surrender their units to enable the investors to enjoy liquidity of their investment as well as to realize appreciation available as a result improving the NAV of the fund.



Chapter 3. THE FUND

Capitec Asset Management Ltd, a newly formed asset management company in Bangladesh, has decided to launch an open-end Islamic mutual fund. Capitec believes that, though Islamic banking has become popular in Bangladesh, there is not adequate Islamic Capital Market products to cater the high demand. Therefore, launching an open-end Islamic shariah compliant mutual fund is an efficient and effective means of expanding its capital market investment alternatives that will result into an attractive and stable income source for investors and lead to development of the capital markets in Bangladesh.

To further this initiative, Padma Islami Life Insurance Limited Employees Provident Fund will be the Sponsor and Capitec Asset Management Ltd will be the Asset Manager for CAPITEC Padma P.F. Shariah Unit Fund, with Investment Corporation of Bangladesh (ICB) as the Trustee and the Custodian of the fund.

3.1. The Constitution of The Fund

CAPITEC Padma P.F. Shariah Unit Fund has been constituted through a Trust Deed entered into between Padma Islami Life Insurance Limited Employees Provident Fund and Investment Corporation of Bangladesh (ICB) on 24th May 2018 under the Trust Act, 1882 and Registration Act, 1908. The Fund was registered by the BSEC on 11th June 2018 under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.

3.2. Life of The Fund

The Fund shall be an open-end Islamic mutual fund with a perpetual life established to broaden the base of investment and develop the capital market. Institutional investors ranging from local and foreign, Islamic and conventional, and individual investors, resident and non-resident Bangladeshis (NRBs) are eligible to invest in this Fund.

3.3. Size, Face Value and Market Lot of The Fund

The initial target size of the fund shall be of Taka 100,000,000.00 (ten crore) only divided into 10,000,000 (one crore) units of Taka 10.00 (ten) each. Size of the fund shall be increased from time to time by the Asset Management Company subject to approval of the Trustee and with due intimation to the BSEC.

Size of the Initial Public Subscription is 9,000,000 (ninety lacs) units of Taka 10 each in totaling Taka 90,000,000 (Nine crore) available as public offering to General Public, NRBs, Affected Small Investors and Eligible Investors (EIs).

The market lot will be constituted of 500 (five hundred) units.

3.4. Investment Objectives and Policies

3.4.1. Investment Objectives

The objective of the fund is to provide risk adjusted return through dividend to unit holders by investing in Islamic shariah compliant securities in the capital market and money market.

The Fund might also invest in other Shariah Compliant instruments as and when they are available for investment Including but not limited to Mudaraba Term Certificates, Mudaraba Certificates, Musharaka Term Finance Certificates and all other asset backed securities and in other instruments that may be allowed by the rules with consultation with the Trustee and the fund's Shariah Supervisory Board from time to time. The Trustee may appoint one or more Shariah Advisors as and when needed based upon the requirement of the fund.



Although no universal consensus exists among contemporary Shariah scholars on the prohibition of companies, most Shariah Boards have advised against investment in companies involved in the activities of conventional Banks, Insurance and Leasing Companies, Alcohol, Pork related products, Tobacco, Weapons and Defense, Casinos/Gambling, Hotels, Cinema, Pornography, Music etc. as such CAPITEC Padma P.F. Shariah Unit Fund shall not invest in such companies.

3.4.2. Investment Policies

| | |
|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Investment Objective | <p>The Fund shall invest subject to the বিধিমালা and only in securities, deposits and investments approved by the Bangladesh Securities and Exchanges Commission and/or the Bangladesh Bank and/or Insurance Development & Regulatory Authority (IDRA) of Bangladesh. The Fund may invest in Pre-IPO Private Placements or IPO of debt or equity, with intimation to the Commission.</p> <p>The Asset Manager of the fund shall appoint a Shariah Supervisory Board responsible for monitoring the investments in the shares only approved by that Shariah Board.</p> |
| Investment Exposure & Liquidity | <p>The Fund shall not invest more than 10% of its total assets in any one particular company.</p> <p>The Fund shall not invest in more than 15% of any company's total paid-up capital.</p> <p>The Fund shall not invest more than 20% in shares, debentures, or other securities of a single company or group.</p> <p>The Fund shall not invest more than 25% of its total assets in shares, debentures or other securities in any one industry.</p> <p>Not less than 60% of the total assets of the fund shall be invested in capital market instruments out of which at least 50% (or 30% of the total assets of the fund) shall be invested in listed securities.</p> |
| Investment Decision | <p>Only the Asset Management Company will make the investment decisions and place orders for securities to be purchased or sold by the fund; Sponsors, Pre-IPO placement holders or other category of Investors may not attempt to influence the investment decisions of the fund Manager nor seek information regarding fund composition except as publicly disclosed.</p> |
| Screening of Acceptable Companies | <p>The business of the company should be in consistence with the Shariah Law. Although no universal consensus exists among contemporary Shariah scholars on the prohibition of companies, most Shariah Boards have advised against investment in companies involved in the activities of:</p> <ul style="list-style-type: none">A. Advertising and Media, with following exceptions;<ul style="list-style-type: none">o News Channelso Newspaperso Sports ChannelsB. Financials, except;<ul style="list-style-type: none">o Islamic Banks ando Islamic Financial Instituteso Islamic Insurance companiesC. Alcohol;D. Cloning;E. Pork;F. Tobacco;G. Gambling;H. Pornography;I. Trading of Gold and Silver as Cash on deferred basis; |



3.5. Investment Restrictions

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

1. The Fund shall not invest in any shares and securities that is not approved by the Shariah Supervisory Board.
2. The Fund shall not invest in conventional Banks, Insurance and Leasing Companies, Alcohol, Pork related products, Tobacco, Weapons and Defense, Casinos/Gambling, Hotels, Cinema, Pornography, Music etc.
3. The Fund shall not invest in or lend to another Scheme under the same Asset Management Company.
4. The Fund shall not acquire any asset out of the Trust property, which involves the assumption of any liability that is unlimited or shall result in encumbrance of the Trust property in any way.
5. The Fund or the Asset Management Company on behalf of the fund shall not give or guarantee term loans for any purpose or take up any activity in contravention of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.
6. All money collected under the fund except for the part of fixed income and hedging instruments shall be invested only in en-cashable/transferable instruments, securities whether in money market or capital market or privately placed Pre-IPO equity, preference shares, and debentures or securities debts.
7. The Fund shall not involve itself in option trading or short selling or carry forward transaction.
8. The Fund shall not buy its own unit.
9. The Fund shall not take any loan.

3.6. Valuation Policy

The Fund intends to determine its NAV per unit on the last business day of each week by dividing the value of the net asset of the fund (the value of total assets less total liabilities as per Rule 60 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, by the total number of units outstanding. As per section 58 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ the valuation policy of investment of the fund need to be approved by the Commission in the Trust Deed as follows:

- 1) For listed securities, the average quoted closing market price on the stock exchanges on the date of valuation shall form the basis of any calculation of Net Asset Value of such securities in the portfolio of the fund.
- 2) The Fund shall fix the valuation method for each of the schemes subject to prior approval of the Commission.
- 3) The Fund shall follow the method approved by the Commission for valuation of the non- listed investment, if any, and the Asset Management Company and the Trustee shall periodically review the value of such investment. The auditors shall comment on such investment in the annual reports of the fund.



- 4) When the securities were not traded in the Stock Exchanges on the particular valuing date, immediate previous average price, which one is nearer, but no longer than 30 (thirty) days to the valuing date will be taken into account.
- 5) The valuation of Listed Securities not traded within previous one month will be made within reasonable standards by the Asset management Company and approved by the Trustee and commented upon by the Auditors in the Annual Report of the mutual fund but shall not be more than the intrinsic value of the securities.
- 6) For securitized debts, debentures, margin or fixed deposits, the accrued interest on such instruments on the date of valuation shall be taken into account in any calculation of Net Asset Value (NAV) of such securities in the portfolio of the fund.

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

$$\begin{aligned} \text{Total NAV} &= \text{VA} - \text{LT} \\ \text{NAV per unit} &= \text{Total NAV} / \text{No. of units outstanding} \\ \text{VA} &= \text{Value of Total Assets of the fund as on date} \\ \text{LT} &= \text{Total liabilities of the fund as on date} \end{aligned}$$

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

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

3.7. Limitation of Expenses

- 1) The initial issue expenses in respect of the fund shall not be over 5% (Five percent) of collected amount of the fund raised under the Scheme or any ceiling as determined by the AMC which is approved by the Commission and the Trustee and shall be amortized within 7 (seven) years on a straight-line method.
- 2) The total expenses charged to the fund except the amortization of initial issue expenses including transactions cost in the form of stock brokerage against buy and sell of securities forming a part of acquisition or disposal cost of such securities, transaction fees payable to the custodian against acquisition or disposal of securities, CDBL charges, the annual registration fees payable to the Commission, audit fees, cost for publication of reports and periodicals, bank charge, selling agent fee, Trustee fee, Management fee, Shariah supervisory fee etc. shall not exceed 4% (Four percent) of the weekly average net assets outstanding during any accounting year or as may be determined by the Rules.



3.8. Price Fixation Policy

After completion of initial subscription, the fund will be made open to the investors for regular buy-sale of units. The date of opening shall be declared by the Asset Manager upon approval of the Trustee and with due intimation to the BSEC.

The Asset Manager shall calculate the Net Asset Value (NAV) on the last working day of every week as per formula prescribed in the বিধিমালা and shall disclose sales price and repurchase/surrender price per unit determined on the basis of NAV before commencement of business operation of the first working day of the following week to the Commission and to the investors through at least one national daily newspaper, the website of the Asset Manager of the fund. The difference between sale price and surrender value shall remain within the range of 3% to 5% at the decision of the Board of Directors of Asset Management Company. In certain conditions, AMC may lower the percentage below 3% at the decision of the Board of Directors of the Asset Management Company.

3.9. Sale and Repurchase Procedure

- 1) The units of CAPITEC Padma P.F. Shariah Unit Fund may be bought and surrendered through Capitec Asset Management Ltd and authorized selling agents appointed by the Asset Manager from time to time and any other procedure as prescribed by the Asset Manager.
- 2) During initial subscription minimum purchase quantity is 500 (five hundred) units for individual investors and 5,000 (five thousand) units for institutional investors.
- 3) Application for purchase of units should be accompanied by an account payee cheque/pay order/bank draft in favor of “CAPITEC Padma P.F. Shariah Unit Fund” for the total value of units.
- 4) After clearance/encashment of cheque/draft/pay order, the applicant will be issued with a Confirmation of Unit Allocation against every purchase of units he/she/the institutional investor applies for.
- 5) Partial surrender is allowed without any additional cost subject to minimum surrender quantity of 500 (five hundred) units for individuals and 5,000 (five thousand) units for institutional investors. Upon partial surrender, the Unit holder will be issued with a new Confirmation of Unit Allocation representing the balance of unit holding.
- 6) All payments/receipts in connection with or arising out of transactions in the units shall be in Bangladeshi Taka (BDT).
- 7) The redemption shall be made on first come first serve basis. In the event the redemption request on a particular day exceed 1% of the unit outstanding, the Asset Manager may defer, if required, the redemption request over 1% for a maximum period of 7 (seven) working days. The Asset Manager shall proceed to sell adequate assets as it deems fit to pay the surrender money within the stipulated time in the best interest of the unit holders.

3.10. Fund Management

Capitec Asset Management Ltd. will have discretionary authority over the fund’s portfolio about investment decision. Capitec Asset Management Ltd. shall conduct the day-to-day management of the fund’s portfolio as the Asset Management Company subject to the provisions laid down in the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ and Trust Deed or any general directions given by the Trustee and/or by the Commission.



3.11. Dividend Policy

- 1) The accounting year of the fund shall be July 01 to June 30 every calendar year or as determined by the Commission.
- 2) The Fund shall, as soon as may be, after the closing of the annual accounts, distribute by way of dividend to the holders of the units in accordance with the বিধিমালা, an amount, which shall not be less than 70% of the realized income during the year, or as determined by the Commission from time to time.
- 3) Before declaration of dividend, The Asset Management Company shall make use of Dividend Purification Ratio for purification purpose, which is calculated as:

Dividends * (Non-permissible Ratio / Total Revenue)

- 4) Before declaration of dividend, the Asset Management Company shall make provision with agreement of the auditors for revaluation of investments caused from loss if market value of investments goes below the acquisition cost, and the method of calculation of this provision must be incorporated in the notes of accounts.
- 5) The Fund may create a dividend equalization reserve by suitable appropriation from the income of the fund to ensure consistency in dividend.
- 6) The Asset Management Company shall dispatch the dividend warrants at the expense of the fund, within 45 days of the declaration of the dividend and shall submit a statement within next 7 (seven) days to the Commission, the Trustee and the Custodian.



Chapter 4. RISK CONSIDERATIONS

4.1. Risk Factors

Investing in the CAPITEC Padma P.F. Shariah Unit Fund (hereinafter the fund) bears certain risks that investors should carefully consider before investing in the fund. Investment in the capital market and in the fund bears certain risks that are normally associated with making investments in securities including loss of principal amount invested. There can be no assurance that the fund will achieve its investment objectives. The Fund value can be volatile, and no guarantee can be given that investors will receive the amount originally invested. When investing in the fund, investors should carefully consider the risk factors outlined below, which are not necessarily exhaustive or mutually exclusive:

- 1. General Risk:** There is no assurance that the fund will be able to meet its desired investment objectives. Investors could potentially incur losses, including loss of principal when investing in the fund. Investment in the fund is not guaranteed by any government agency, the Sponsor or the Asset Manager. Mutual funds and securities investments are subject to market risks and there can be no assurance or guarantee that the fund's objectives will be achieved. As with any investment in securities, the Net Asset Value (NAV) of the fund may go up or down depending on the various factors and forces affecting the capital market and money market of the country. Past performance of the Sponsors and their affiliates and the Asset Manager do not indicate the future performance of the fund and may not necessarily provide a basis of comparison with other investments to this fund. Investors should study this offer document carefully before investing in it.
- 2. External Risk:** Due to relevancy, performance of the fund is substantially dependent on the macroeconomic situation of Bangladesh which can have effects on the capital market and money market of the country as well. Political and social instability may have an adverse effect on the value of the fund's assets. Changes in government policy on tax rates, interest rates may also affect the return on investments of the fund. Adverse effect of the economic crisis of the international community on the capital market of Bangladesh may hinder the performance of the fund. Bangladesh has been prone to natural disaster and political instability over last few decades. Undesirable events such as these may impact the value and performance of the fund too.
- 3. Market Risk:** Capital markets in the world as well as in Bangladesh is highly volatile, where mutual fund prices and prices of other securities can fluctuate significantly. The fund may lose its value or incur a sizable loss on its investments due to such market volatility. Stock market trends indicate that prices of majority of all the listed securities move in unpredictable direction which may affect the value of the fund. Furthermore, there is no guarantee that the market prices of the units of the fund will fully reflect their underlying NAV.
- 4. Concentration Risk:** Although Bangladesh is a Muslim majority country but due to a limited number of Shariah complied securities listed in both DSE and CSE, it might be difficult to invest the fund's assets in a widely diversified portfolio as and when required to do so. Due to a very thin secondary fixed income/debt market in Bangladesh, it would be difficult for the Fund Manager to swap between asset classes, if and when required. Limited options in the money market instruments would also narrow the opportunity of short term or temporary investments of the fund which may adversely impact the expected return.



5. **Dividend Risk:** In spite of the careful investment selection of securities in the fund, if the companies/mutual funds fail to provide the expected dividend or fail to disburse the dividends declared in a timely manner, this will impact the income and the overall return of the fund.
6. **Liquidity Risk:** While investing in Pre-Public Offer Placement securities i.e. in unlisted equity securities by the fund, may involve liquidity risk. Additionally, market conditions and investment allocation may have an impact on the ability to sell securities during periods of market volatility. Debt securities, while somewhat less liquid, lack a well-developed secondary market, which may restrict the selling ability of the fund and may also lead to the fund incurring losses till the security is finally sold. While securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock exchanges and may lead to the fund incurring losses till the security is finally sold.
7. **Investment Strategy Risk:** Since the fund will be an actively managed investment portfolio; it is subject to management strategy risk. Although the AMC will apply its diligent investment process and risk minimization techniques when making investment decisions for the fund, there can be no guarantee that such process and techniques would produce the desired outcome.
8. **Credit Risk:** Since the fund will seek to invest as per the guidelines of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ in both equity and fixed income securities; the credit risk of the issuer of fixed income securities is also associated with the fund. Investment in fixed income securities are subject to the risk of the issuer's inability to meet interest and principal payments on its obligation and market perception of the creditworthiness of the issuer.
9. **Issuer Risk:** In addition to market and price risk, value of an individual security can, in addition, be subject to factors unique or specific to the issuer, including but not limited to management malfeasance, lack of accounting transparency, management performance, management decision to take on financial leverage etc. Such risks can develop in an unpredictable fashion and can only be partially mitigated, and sometimes not at all, through research or due diligence. To the degree that the fund is exposed to a security whose value declines due to issuer risk, the fund's value may be impaired.
10. **Redemption Risk:** In the event of a very large number of repurchase requests, there may be delays in the delivery of the payment.

THE MUTUAL FUND IS NOT GUARANTEEING OR ASSURING ANY RETURNS



4.2. Expected Market Performance of The Fund

- 1) Mutual fund industry is still at its infancy in Bangladesh and represents approximately 2% of market capitalization and currently a significant demand for the product exists. Therefore, it is possible that demand for the “CAPITEC Padma P.F. Shariah Unit Fund” units will be substantially over the supply of units.
- 2) Image of Padma Islami Life Insurance Limited Employees Provident Fund as the Sponsor, Investment Corporation of Bangladesh (ICB) as the Trustee and Custodian, and their respective credibility may motivate investors to invest in this Fund.
- 3) The asset manager, Capitec Asset Management Ltd, has vastly experienced and highly qualified investment management team in Bangladesh with their proven track record would attract investors to invest in this Fund.

4.3. Risk Tolerance of Investors

- 1) Individuals who do not have tolerance of bearing risk and know nothing about the functioning of the capital market need not apply for the units of the fund.
- 2) Individuals who are looking for Shariah Compliant investments should consider investing in the fund.
- 3) Individuals who are looking for long-term capital growth and dividend payment and are comfortable with the risk associated with equity investments should consider investing in the fund.
- 4) An individual should also consider investing in the fund if he/she can accept variability of returns, have a moderate to high tolerance for risk and is planning to invest in the fund over the medium to long-term.
- 5) Considering other factors like the investment opportunities available in the market, return expectation, income level and consumption pattern, one may put only a limited portion of his/her total portfolio into the fund.



Chapter 5. FORMATION, MANAGEMENT AND ADMINISTRATION

5.1. Sponsor of The Fund

Padma Islami Life Insurance Limited Employees Provident Fund was established on January 1, 2012 under the “Employee Provident Rule” under the board of trustee approved by Commissioner of Income Tax (LTU), Dhaka, having head office at Padma Life Tower.

5.2. Trustee & Custodian of The Fund

Investment Corporation of Bangladesh (ICB) established on 1 October 1976 as a statutory corporation of Government of the People's Republic of Bangladesh under the *Investment Corporation of Bangladesh Ordinance 1976*. ICB usually invests in capital market, provides loans and advances, acts as manager/trustee/custodian of funds. This is a full fledged investment bank established to develop industrialization and sound capital market in Bangladesh.

The authorized capital of the corporation is Taka 10,000 million and paid up capital is Taka 6,328.1 million, subscribed by the government of Bangladesh (27%), Institutions (71%) and the general public (2%). Initially, the activities of ICB were limited to underwriting public issue of shares, bridge financing, debenture financing and opening/maintaining investors' accounts (Investors' Scheme). ICB had largely expanded its areas and scope of activities and now provides various types of investment and banking services. Added activities include providing debenture loans to companies and loans to investors on margin trading basis, providing advances against ICB unit certificates, leasing of industrial equipment, managing unit fund and mutual funds, and participating in stock exchange for trading securities. Besides its head office and the local office in Dhaka, ICB has 6 branch offices, one each at Chittagong, Rajshahi, Khulna, Barisal, Sylhet and Bogra. The head office has 4 broad divisions/wings and 31 departments under them.

5.3. Asset Manager of The Fund

Capitec Asset Management Ltd (Capitec) is a privately-owned Asset Management Company (AMC) based in Dhaka. The AMC license was issued in 2017 by the Bangladesh Securities and Exchange Commission (BSEC). Currently, the company has a team of professionals with decades of experience in national and international markets. Capitec Asset Management Ltd innovates and creates new investment solutions for their clients. Main aim is to manage risk and uncertainty to deliver resilient investment outcomes. Capitec, is a team of investment professionals lead by its active directors with combined investment experience of over 15 years, gained both internationally and locally. Senior management is supported by a team of portfolio managers, equity research and data analysts, and finance, operations and compliance team. Capitec follow a thorough and structured investment process, based on top down macro-economic, market and sector research in parallel with company specific bottom up research, company management interviews and fundamental analysis.

Brief profiles of the Directors and Senior Management of the asset manager responsible for investment of the CAPITEC Padma P.F. Shariah Unit Fund are as under:

Mr. Hasan Rahman, Founder

Mr. Rahman is the founder of Capitec Asset Management Ltd, licensed by Bangladesh Securities and Exchange Commission. With his years of experience in financial market and organizations around the world, he founded Capitec to bring very professionally managed funds for the local clients and companies. Mr. Hasan Rahman has successfully introduced Insurance Agent Training Programme for the first time in Bangladesh by convincing Insurance Development & Regulatory Authority (IDRA) to strengthen the insurance companies in Bangladeshi market. He is also the Director of Experts Academy Ltd; prominent



professional training center, which serves financial institutions, companies and individuals. Mr. Rahman completed higher degrees from Australia, Canada and France.

Mr. M. Mahfuzur Rahman, Managing Director

Mr. M. Mahfuzur Rahman was the former Executive Director and Spokesperson for Bangladesh Bank as well as the Deputy Head of BFIU. During his long career, he earned wide experiences in the commercial banking sector. He had signed MOU on money laundering and combating financing of terrorism as a representative of Bangladesh with nine countries. He led different teams of Bangladeshi representatives in eighteen International Conferences and participated in meetings in different countries. To enhance remittance inflow, he has participated twenty-one separate dialogues as Principal Guest/Special Guest held in twelve different countries. He is an award winning acclaimed writer, and currently working with Capitec for the development of capital market in Bangladesh.

Mr. Ishtiaque Ahmed Chowdhury, Advisor

Mr. Chowdhury had served as a Managing Director & CEO of Trust Bank Limited for two terms. Currently, he is the Managing Director of Experts Academy Ltd; prominent private training center of the country. After completing higher studies, Mr. Chowdhury began his banking career as Probationary Officer in Rupali Bank in the year 1977. He switched over to Arab Bangladesh Bank Ltd. in the year 1984 as Senior Officer and worked there till September 2002. Prior to that joining Trust Bank Limited, Mr. Chowdhury was Executive Vice President & Regional Manager of four mid-city branches of The Oriental Bank Limited, which subsequently renamed as ICB Islamic Bank Ltd. He joined Trust Bank on October 2003 as Senior Executive Vice President. Over the last 29 years, Mr. Chowdhury's career evolved as a well-rounded banker with adequate exposure in Strategic Risk Management, Revenue Growth, Client Acquisition, and Operations Management. Mr. Chowdhury has participated in a good number of professional trainings, workshops, and seminars at home and abroad. He has involved with different renowned society, club and association to work for the development of Bangladesh

Mr. Prosenjit Saha, Head of Operations

Mr. Saha is working as Head of Operations in Capitec Asset Management Limited as key investment personnel. He has vast knowledge in the area of capital market as well as money market. Prior to joining Capitec Asset Management Limited, he worked as Assistant Vice President (AVP) in Assurance Asset Management Limited. Mr. Saha was Assistant Manager in Investment Management at Alif Assets Management Ltd. He was also a key member in the Investment Committee of Alif Assets Management Ltd. In this position he was responsible for managing Sandhani Life Unit Fund (open ended MF). Prior to this position, he worked as Investment Analyst in Research team at Alif AMC, where he was responsible for different types of research activities related to economy and capital market. He was also advising on the investment decisions of Mutual fund, High net worth client etc. His career includes eight years of experience in the area of equity research and portfolio management, Fund Operation in AMC, Bank and NBFI. Mr. Saha earned a Master's in Business Administration (MBA) in the area of Finance from the American International University-Bangladesh. He also holds Bachelor of Business Administration (BBA) degrees in Accounting and Finance from the same University with excellent academic credentials. Currently, Mr. Prosenjit is also pursuing CFA (Chartered Financial Analyst) Program. Apart from academic credentials, Mr. Saha has participated in different professional training program at Different level in the area of Asset Management, Portfolio Management & Security Analysis, Building Financial Model in Excel, Sales skills development, Money Laundering prevention Act & Anti-Terrorism Act, 2009 at Bangladesh Bank Training Institute, DSE Training Institute, Eastern Bank Ltd, Pearl Institute of Financial Market Ltd etc.



Mr. Jasim Mohammad Miah, Senior Assistant Manager

Mr. Jasim is an investment professional with expertise in economics, finance and valuation. Prior to joining in Capitec, he has worked in Impress Capital Limited (ICL), an asset management company and alternative fund manager, as an Investment Associate. At ICL, he worked as the lead analyst for banking sector, financial institutions and macroeconomics. In early days of career, he has worked in Grameenphone Ltd., the largest telecommunication company and in Your Trip Mate Ltd., a travel technology start-up incubator focusing on Bangladeshi market. He studied finance from BRAC University and economics from Dhaka School of Economics. He volunteered for oikos, an international student-driven organization for sustainability in economics and management; and he has keen interest on the alternative investment market in Bangladesh.

Mr. Shaibal Halder, Assistant Manager

Mr. Halder has been working in the financial industry, International Non-Government Organization for over six years in the field of Financial Management, Budgeting Monitoring and Controlling, Strategic Planning and Internal Auditing etc. He completed his B.B.S with Honors (2009) and M.B.S (2010) in Accounting from National University with excellent academic results. Currently, Mr. Halder is pursuing the Cost and Management Accountant degree, a highest professional degree in cost & management accounting profession in Bangladesh from the Institute of Cost and Management Accountants of Bangladesh (ICMAB). He is participating final level exam of the mentioned degree. He is also pursuing the Chartered Secretary, a recognized professional degree of the Institute of Chartered Secretaries of Bangladesh (ICSB). Apart from academic credentials, Mr. Halder has participated in different professional training program at different level in the area of Corporate Accounting, Financial Accounting, Management Accounting and Control, Income Tax, Value Added Tax, Organization Leadership etc.

Mr. S M Fahim Shahriar, Management Trainee

Mr. Shahriar completed his graduation from Multimedia University in Bachelor of Accounting. He is an adaptable and responsible graduate with strong edges in Accounting, Finance, Marketing and Business Analytics field. He was one of the highest award-winning students in the History of Multimedia University, with 4 individual awards and more than 10 collective Awards in past 4 years. Apart from my studies, he is extremely strong in Leadership. He was the first ever International student to run for the "Students Representative Council's Election" in his University where He made a huge impact in international students' career and motivates them to join extra-curricular activities. He is also the founding Director of Hult Prize at Multimedia University, where he was recognized as one of the top 3 Campus Directors from Hult Prize Foundation out of 1000 Campuses' as he efficiently organized 12 events and managed to get 161 teams to participate in this year's challenge. He has International recognitions from Clinton Global Initiative and Ministry of Youth & Sports. He completed his internship from PKF Malaysia, top ten Audit Companies in the world. There he learned the audit procedures of the firm and successfully completed five dormant companies during his internship time. He was also a trainee assistant officer in Premier Bank, Bangladesh for six months where he learned about customer service, banking system. He has extremely strong background in corporate finance and banking. During his career, he successfully combined his studies with work and other commitments in order to be self-motivated, organized and capable of working under pressure. He also developed skills in marketing and management when he successfully established his startup in Cyberjaya. Determined to improve, he is planning to acquire CPA Australia.



5.4. Investment Management

5.4.1. Investment Objective

The objective of the fund is to provide risk adjusted return through dividend to unit holders by investing in Islamic shariah compliant securities in the capital market and money market.

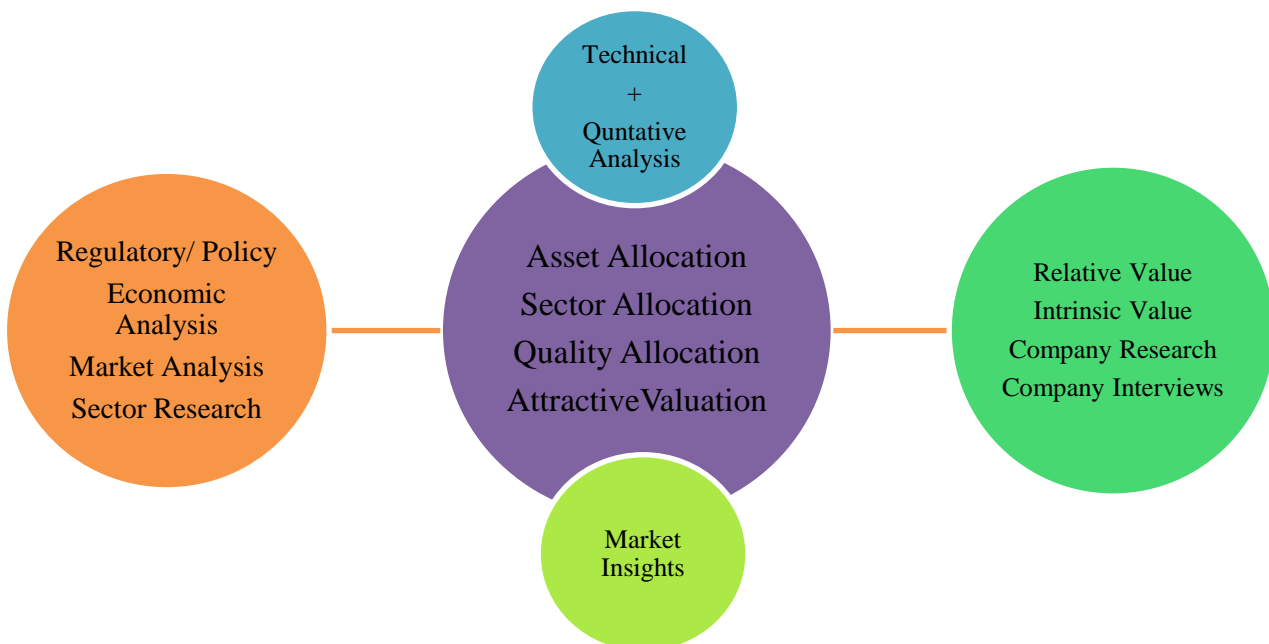
Investment professional putting strong attention to risk management seek to provide consistent performance over time to its investors. The investment philosophy and process of the fund is based on the fundamental research, allows our experienced investment professionals to identify growth and value opportunities in the capital markets.

5.4.2. Investment Philosophy

The fund's investment philosophy is that consistent and attractive risk adjusted returns can only be generated by applying a vigorous investment process that identifies macroeconomic trends, sector drivers, fundamental analysis, technical analysis, shariah compliance and effective capital allocation on an ongoing basis.

5.4.3. Investment Process

The investment process has developed in consistent the investment objectives and investment philosophy. The investment process is structured based on top-down macroeconomic, industry, market and sector research in parallel with company specific bottom-up research, company management interviews and fundamental analysis. The team overlays stock assessments with market insights, with a combination of broker interaction, technical and quantitative tools to comprehend market behavior, before making investment decisions.



Fund's portfolio are actively monitored on a daily basis and rebalanced as required. The investment team believes that, having a superior market insights, financial information and contacts with senior management and industry leaders in the local market is an integral part of the investment process.



Key Elements of the Investment Process:

1. *Top-down and Bottom-up:* Investment portfolios are constructed using proprietary methodology of a top-down overlay of the economy, sector and markets risks and bottom-up rigorous fundamental analysis. In-house research team focuses on understanding individual companies as businesses rather than simply as stocks by conducting independent research. This top down and bottom up investment approach is further enhanced by technical analysis platform.
2. *Risk Management:* The fund's portfolio is constantly monitored using and strictly adhering to our research and analysis driven process. When downside risk seems to arise, the investment team performs a rigorous review on any investment that declines materially in market price or in valuation price. However, to mitigate risk, the team attempt to build downside protection into investment process by evaluating and quantifying the risks versus the reward opportunity of every investment in the portfolio. This is achieved by analyzing: free cash flow; the intrinsic or asset value of the company; price to sales and/or price to tangible book value.
3. *Valuation Process:* Following corporate finance approach and cash flow focus helps investment team to better identify potential investments. When doing valuation on individual companies, it often include breaking down a company's financial results by business segment to determine a valuation for the whole business. Most Importantly, valuation analysis focuses upon absolute valuations, rather than relative valuations; all in one this process focus helps to limit losses and downside risk.
4. *Forward Looking Analysis:* The investment team do not believe in investing after positive or negative news. Rather, the team seeks to uncover the factors that will drive business improvement three months to a year in advance and take positions accordingly. So that, portfolios can fully benefit when these inflection points and catalysts emerge and are recognized. The ingredients for change can come in many forms. For example, there are company specific catalysts, i.e. a new management team, a shift in business strategy, or a restructuring to "unleash" hidden assets. Change can also come from an improving outlook for an entire industry or a changed regulatory framework.

5.5. Auditors

The Trustee, ICB has appointed Ahmed Zaker & Co., Chartered Accountants as the Auditor of the fund. It is one of the reputed and oldest audit firms of the country and one of the panel members of Auditors nominated by BSEC. The Trustee, ICB shall continue to appoint subsequent auditors throughout the tenure of the fund.

5.6. Shariah Supervisory Board

“Shariah Supervisory Board” means a body of Shariah experts who certifies the securities/ assets as Shariah compliant.

5.6.1. Role and Responsibility of Shariah Supervisory Board

- a) Preparing guidelines and methodologies for selecting/ screening of companies/ securities/ instruments to be acceptable as per Shariah principles;
- b) Recommending companies/ securities/ instruments for investments, consistent with the guidelines and methodologies;
- c) Certifying/ approving the criteria of identifying prohibited incomes and recommending distribution of those prohibited income to any charitable organization;
- d) Certifying at the end of each accounting year that all investments and incomes accounted for are Shariah compliant;



- e) Any other responsibilities determined by the Commission or specified in the constitutive documents;
- f) The decision given by the Shariah Board on the matter relating to Shariah Law shall be binding and acceptable to the Trustee, Asset Manager, the Unit holders and other related parties.

The First Shariah Supervisory Board will be constituted with the following members:

Name & Designation of the Members of the First Shariah Supervisory Board

| | | | |
|----------|-------------------------------------------------|------------------|--------------------------------------------------------------------------|
| 1 | Hafeez Maulana Prof. Dr. Shahidul Islam Barkati | Chairman | Member, Shari'ah Supervisory Committee, Exim, Prime & Trust Bank Limited |
| 2 | Dr. Hasan Mohd. Moinuddin | Member | Associate Professor Member, Shari'ah Supervisory Committee, IBBL |
| 3 | Maulana Shah WaliUllah | Member | Khatib, Sobhanbag Jame Mosque & AVR ATN Bangla |
| 4 | Maulana Shakhawatul Islam | Member | Head of Research, Central Shariah Board for Islamic Banks of Bangladesh |
| 5 | Mr. M. Mahfuzur Rahman, | Member | Managing Director Capitec Asset Management Ltd. |
| 6 | Jasim Mohammad Miah | Member Secretary | Senior Assistant Manager Capitec Asset Management Ltd. |

5.7. Names of Selling Agents

- Padma Islami Life Insurance
- SCL Securities Bangladesh
- Al-Arafah Islami Bank Limited

The Asset Manager may appoint more willing stock broker(s)/ merchant bank(s)/ commercial bank(s)/ other organization(s)/ eligible individual(s) as selling agents in future or cancel any of the agents, named above subject to approval of the Trustee and with due intimation to the Commission.

5.8. Fees and Expenses

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

Since, the fund size of Taka 100,000,000 (Taka Ten crore), Capitec Asset Management Ltd has estimated the normal annual operating expenses of the fund, which will not exceed 4% of the average NAV of the fund. However, there may be variation in the actual operating expenses of the fund. Major expenses of the fund are detailed as follows:



5.8.1. Issue and Formation Expenses:

Issue and formation expenses are estimated to be not over 5% of collected amount. The expenses will be amortized within 7 (Seven) years on a straight-line method. The estimated expenses for the issue and formation of the fund are presented below with the assumption of Taka 100,000,000 (Taka Ten crore) to be collected:

| Sl No. | Type of Expenses | Percentage of Total Target Fund | Total (Taka) | Sub Total (Taka) | Basis |
|--------|---------------------------------------------------------------------------|---------------------------------|------------------|------------------|-----------------------------------------------------------------------------------------------------------------------------|
| 1 | Formation Fee Payable to AMC | 1.00% | 1,000,000 | Set-fee | Formation fee to AMC on collected fund of approved fund size. |
| 2 | Management Fee for Pre-scheme formation period | 0.25% | 250,000 | On Scheme | Management fee of AMC for pre Scheme formation period as per BSEC directive (No SEC/CMRRCD/2009-193/160) dated 28 May 2014. |
| 3 | Legal & Compliance related Expenses (Application, Registration fees etc.) | 0.47% | 474,750 | 10,000 | BSEC Application Fees |
| | | | | 100,000 | BSEC Annual Fees |
| | | | | 200,000 | BSEC Registration Fees (0.2% of Initial Fund Size) |
| | | | | 95,000 | Trust Deed Registration fee |
| | | | | 61,250 | CDBL Fee |
| | | | | 8,500 | CDBL documentation and Connection |
| 4 | Printing & Publication | 1.70% | 1,700,000 | 1,000,000 | Publication of Abridged Version |
| | | | | 500,000 | Printing of Prospectus |
| | | | | 200,000 | Printing of Forms and Other Marketing Documents |
| 5 | Road Show and Marketing Expenses | 0.80% | 800,000 | 800,000 | Marketing, Courier, Distribution, Road Show etc. |
| 6 | Other Expenses | 0.25% | 250,000 | 250,000 | Others/ Miscellaneous |
| | Total Taka | 4.47% | 4,474,750 | | |

* The above costs are made in best estimates, which may vary in actual. The Trustee shall approve the formation expenditure and they will inform BSEC within 15 days of such formation meeting.

5.8.2. Management Fee:

As per সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ the Asset Management Company shall be paid annual management fee @ 2.50% per annum of the weekly average NAV up to Tk. 50,000,000 (Taka five crore) and @ 2.00% per annum for additional amount of the weekly average NAV above Tk. 50,000,000



(Taka five crore) up to Tk. 250,000,000 (Taka twenty five crore) and @ 1.50% per annum for additional amount of the weekly average NAV above Tk. 250,000,000 (Taka twenty five crore) up to Tk. 50,00,00,000 (Taka fifty crore) and @ 1.00% per annum for additional amount of the weekly average NAV over Tk. 500,000,000 (Taka fifty crore) accrued and payable half yearly.

5.8.3. Trustee Fee:

The Fund shall pay an annual trusteeship fee @ 0.15% of the Net Asset Value (NAV) of the fund only payable semi-annually during the life of the fund.

5.8.4. Custodian Fee:

The Fund shall pay to the custodian i.e. ICB for safekeeping of securities @ 0.15% of balance (dematerialized and non-dematerialized) securities held by the fund and calculated on the basis of average month-end value per annum.

5.8.5. CDBL Fee:

The fixed Annual fee of CDBL will be Tk. 50,000 plus VAT. Annual Central Depository System (CDS) connection fee will be Tk. 6,000 plus VAT.

5.8.6. Fund Registration and Annual Fee:

The Fund has paid Tk. 200,000 (Taka two lac) @ 0.20% of the initial fund size to the Bangladesh Securities and Exchange Commission (BSEC) as registration fee. In addition to that, the fund will have to pay @ 0.10% of the Net Asset Value (NAV) of the fund only per annum as annual fee in terms of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.

5.8.7. Audit Fee:

The audit fee will be Tk. 25,000 (Taka twenty five thousand) only, plus VAT and Trustee will fix fees for subsequent years.

5.8.8. Selling Agent Commission:

The Fund shall pay Selling Agent Commission at the rate of 1.0% of the collected amount by the Selling Agent from a particular investor, evenly accruable on quarterly basis (0.25% of the weekly average collected amount for that quarter). If the amount is collected in between of the quarter, the fund shall pay commission on pro-rata basis based on the remaining date in that quarter. At any circumstance, Selling Agent Commission shall not exceed 1.0% of the Net Collected Amount. The Payment will be done by 15 working days of the end of each quarter.

5.8.9. Brokerage Fee

The fund will pay to the stock broker commission up to 0.30% of the total amount of transaction including Howla, Laga, CDBL fees and any other associated costs, which may vary in future based on market practice.

5.8.10. Shariah Advisory Fee

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



Chapter 6. CAPITAL STRUCTURE, TAX STATUS AND RIGHTS OF UNIT HOLDERS

6.1. Issue of Units

The initial size of the fund shall be Tk. 100,000,000 (Taka ten crore) divided into 10,000,000 units of Tk. 10.00 each which may be increased from time to time by the Asset Manager subject to approval of the Trustee with due intimation to the Commission till liquidation of the fund. The initial distribution of Fund's units holding shall be as follows:

| Subscribers | No of units | Face Value (Tk.) | Amount (Tk.) | Remarks |
|----------------------------|-------------------|------------------|--------------------|------------------|
| Sponsor | 1,000,000 | 10.00 | 10,000,000 | Subscribed |
| Public Subscription | 9,000,000 | 10.00 | 90,000,000 | To be Subscribed |
| Total | 10,000,000 | | 100,000,000 | |

6.2. Subscription from Sponsor

Padma Islami Life Insurance Limited Employees Provident Fund, the Sponsor, has already subscribed Taka 10,000,000 for 1,000,000 units of Tk. 10.00 each at par as per সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.

6.3. Tax Status

Investment in this Fund by individual investors will enjoy tax exemption benefit under Section 44(2) of the Income tax Ordinance, 1984. Country's Finance Act and Government's tax policies will always determine the tax benefit from investment in mutual funds.

6.4. Rights of The Unit Holders

The rights attached to the units of the fund are as follows:

- 1) Voting Rights:** All the unit holders shall have usual voting rights. Voting right can be exercised in person or by proxy in a meeting held in connection with any proposal to amend the characteristics of the fund or any other agenda of meeting called by the Trustee in the circumstances mentioned in the Trust Deed or সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১. In case of show of hands, every unit holder present in person or/and by proxy shall have only one vote and on a poll, every unit holder present in person and/or by a proxy shall have one vote for every unit of which he/she is the holder.
- 2) Transfer of Units:** Units of the fund are transferrable by way of inheritance/ gift and/or by specific operation of law.
- 3) Dividend:** All the unit holders have equal but proportionate right with respect to dividend. Dividend will be paid in Bangladeshi Taka only.
- 4) Periodic Information:** All the Unit holders of the fund shall have the right to receive the Annual Report & Audited Accounts of the fund. The Fund will calculate their NAV at the end of each week. Weekly NAV of the fund is to be notified to the Unit holders through the website of the



Asset Manager (www.capitecbd.com) and as a press release to 1 (one) daily national newspaper which covers capital market news.

- 5) *Accounts and Information:* The Fund's financial year will be closed on June 30th of every calendar year or as determined by the Commission. Annual report or abridged version of audited financial statements in line with schedule VI of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ will be published within 45 (forty five) days from the closure of each accounting year.

6.5. Beneficial Interest

- 1) The Unit holders shall preserve only the beneficial interest in the trust properties on pro rata basis of their ownership of the fund.
- 2) Furthermore, the NAV, NAV per unit, any suspension or alteration of the calculation of NAV of the fund will be published/ notified by the Asset Management Company time to time.



Chapter 7. REDEMPTION / WINDING UP POLICY

7.1. Procedure of Redemption/Winding Up

- 1) If the total number of outstanding units held by the Unit holders after Repurchase at any point of time falls below 25% of the actual units issued, the fund shall be subject to wound up.
- 2) The Fund may also wind up on the occurrence of any event, which, in the opinion of the Trustee with approval from the Commission, requires the fund to be wound up.
- 3) The Fund may also be wound up if the Commission so directs in the interest of the Unit holders.
- 4) If the fund is to be wound up in pursuance to the above (1), (2), and (3), the Trustee and the Asset Management Company shall simultaneously give separate notices of the circumstances leading to the winding up of the fund to the Commission. If the winding up is permitted by the Commission, the Trustee and the Asset Management Company shall publish the notice of winding up of the fund in 2 (two) national daily newspapers including a Bengali newspaper having circulation all over Bangladesh.

7.2. Manner of Redemption/Winding Up

- 1) The Trustee shall call a meeting within 30 (thirty) days from the notice date of the unit holders to consider and pass necessary resolutions by 3/4th (three-fourth) majority of the unit holders present and voting at the meeting for authorizing the Trustee to take steps for winding up of the fund. Voting rights shall be the same as the clause 6.4 of this prospectus. If it fails to have three-fourth majority mandate, the Commission shall have the power to supersede the mandate, if situation demands such.
- 2) The Trustee shall dispose of the assets of the fund in the best interest of the Unit holders, provided that the proceeds of sale made in pursuance of the বিধিমালা shall in the first instance be utilized towards discharge of such liabilities as are properly due under the fund and after making appropriate provision for meeting the expenses connected with such winding up, the balance shall be paid to the Unit holders in proportion to their respective interest in the assets of the fund as on the date when the decision for winding up was taken.
- 3) Within 30 (thirty) days from the completion of the winding up, the Trustee shall forward to the Commission and the Unit holders a report on the winding up containing particulars such as circumstances leading to the winding up, the steps taken for disposal of assets of the fund before winding up, expenses of the fund for winding up, net assets available for distribution to the Unit holders and a certificate from the auditors of the fund.

7.3. Effect of Redemption/Winding Up

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

- 1) Cease to carry on any business activities of the fund
- 2) Cease to create and cancel units of the fund
- 3) Cease to issue and redeem units of the fund.



Chapter 8. UNIT SUBSCRIPTION

8.1. Terms and Conditions of Unit Subscription

- 1) The units of CAPITEC Padma P.F. Shariah Unit Fund may be bought and surrendered/repurchased through Capitec Asset Management Ltd and authorized Selling Agents appointed by the Asset Manager from time to time.
- 2) Application must be made by an individual (both resident and non-resident), a corporation or company (both local and foreign), a trust or a society (registered in or outside Bangladesh) and not by a firm, minor or persons of unsound mind. Applications from insurance, financial and market intermediary companies must be accompanied by Memorandum and Articles of Association of the company.
- 3) Joint application by two persons is acceptable. In such cases, registration and issuance of Confirmation of Unit Allocation will be in favor of principal applicant while dividend and other benefits, if any, will be addressed to bank account of principal applicant mentioned in the application form/ bank account mentioned in BO account. In case of the death of any of the joint holders, only the survivor shall be recognized as having any title to the units. On death of both the joint holders, the title to the units will bestow upon the nominee mentioned in the application form.
- 4) Minimum purchase quantity is 500 (five hundred) units and for individual and 5,000 (five thousand) units for institutional investors.
- 5) Application for purchase of units should be accompanied by an account payee cheque/pay order/bank draft in favor of “CAPITEC Padma P.F. Shariah Unit Fund” for the total value of the units.
- 6) After clearance/encashment of cheque/draft/pay order, the applicant will be issued with a Confirmation of Unit Allocation against every purchase of units he/she/the institutional investor applies for.
- 7) Partial surrender is allowed without any additional cost subject to minimum surrender quantity is 500 (five hundred) units for individuals and 5,000 (five thousand) units for institutions. Upon partial surrender, the Unit holder(s) will be issued with a new Confirmation of Unit Allocation representing the balance of his/her/their Unit holding.
- 8) The units may be transferred by way of inheritance/gift and/or by specific operation of the law. In case of transfer, the fund will charge a nominal fee as decided by the Asset Manager from time to time except in the case of transfer by way of inheritance.
- 9) Dividend may be delivered in cash or by way of units under Cumulative Investment Plan (CIP) as the applicant gives option in the application form.
- 10) All payments/receipts in connection with or arising out of transactions of the units applied for shall be in Bangladeshi Taka (BDT).



Chapter 9. SALES AGENTS

9.1. Selling Agents

The following institutions have been appointed to act as the selling agents of the fund by the asset manager:

| Sl No. | Name of the Selling Agents | Business Type |
|--------|-------------------------------------|-----------------|
| A | Padma Islami Life Insurance Limited | Insurance |
| B | SCL Securities Limited | Brokerage House |
| C | Al-Arafah Islami Bank Limited | Bank |

The Asset Manager in future may appoint other organizations as its agent or cancel any of the agent(s) subject to approval of the Trustee and with due intimation to the BSEC. In addition to that, individuals will also be eligible to work as selling agent to be appointed by the Asset Manager as per সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.

9.2. Detail Address of Selling Agents

A. Padma Islami Life Insurance Limited

| Sl No. | Particulars |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Chandpur Zonal H. Q Municipality New Market (2nd Floor), Comilla Road, Kalibarir Moor, P.O+P.S.: Sadar, District: Chandpur. Cell No. 01713621026 |
| 2 | Dhaka Mahanagar Zonal H. Q Noor Jahan Sharif Plaza (6th Floor), 34, Purana Paltan, P.S.: Paltan, Dhaka-1000. Cell No. 01711127538 |
| 3 | Comilla Zonal H. Q House No: 406/362, Sattar Khan Complex (6th Floor), Manaharpur, P.S.: Comilla Adarsa Sadar, District: Comilla. Cell No. 01711948079 |
| 4 | Chittagong Zonal H. Q House No: 49 (2nd Floor), Momin Road, Cheragi Hill, Jamal Khan, P.S.: Kotwali, District: Chittagong. Cell No. 01818570767 |
| 5 | Faridpur Zonal H. Q Datta Bhaban (3rd Floor), House No: 49, Niltuly Muzib Sarak, P.S.: Sadar, P.S.: Kotwali, District: Faridpur. Cell No. 01711308353 |
| 6 | Gazipur Zonal H. Q Chandana Plaza (2nd Floor), Chandana Chowrasta, P. O: Joydebpur, P.S.: Sadar, District: Gazipur. Cell No. 01914099360 |
| 7 | Feni Zonal H. Q Jamal Bread Market (3rd Floor), Houlding No: 336, S. S. K. Sarak, P. O: Feni, P.S.: Feni Sadar, District: Feni. Cell No. 01830194253 |
| 8 | Noakhali Zonal H. Q Holding# 11, Jannat Plaza (1st Floor), Vill: Horinarayanpur, P. O: Maizdi, P.S.: Sadar, District: Noakhali. Cell No. 01741-392554, Cell No. 01195 - 144 |
| 9 | Mymensingh Zonal H. Q Sobhan-Allah Complex, Hold. # 70, Freedom Fighter Sarani Road, Chhotobazar, Kotwali, Mymensingh. Cell No. 01914099360 |
| 10 | Moulvibazar Zonal H. Q R. K. Complex (4th Floor), House No: 103, M. Saifur Rahman Road, West Bazar, Po, Ps+ District: Moulvibazar. Cell No. 01712195075 |



B. SCL Securities Limited

| Sl No. | Particulars |
|--------|-----------------------------------------------------------------------------------------------------------------|
| 1 | Modhumita Building (1st Floor), 160, Motijheel C/A, Dhaka-1000. PABX: 47113827, 47113830, 47113875 & 9590366 |

C. Al-Arafah Islami Bank Limited

| Sl No. | Particulars |
|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Head Office Corporate Branch Al-Arafah Tower (1st & 2nd Floor), 63, Purana Paltan, (Daynik Bangla Mor), Dhaka-1000. |
| 2 | Banani Branch (AD) 16, Kamal Ataturk Avenue, Banani, Dhaka. Phone: 9822250, Fax- 9822357, 01819255587 |
| 3 | Motijheel Corporate Branch (AD) 125, Motijheel C/A, Dhaka-1000. Phone: 9563884, 01760-100500 |
| 4 | Dhanmondi Branch (AD) H#54/1, R#4/A, Dhanmondi, Dhaka. Phone: 58610913, 01811-483199 |
| 5 | Bandar SME Branch 555/1, Wilson Road, Bandar Bazar, Narayanganj. Phone: 766-1317-8, 01826-180327 |
| 6 | Gazipur Branch Holding # K-280, BIDD Road, Gazipur. Phone: 4926-1102, 4926-1140, 01811-448051 |
| 7 | Bhairab Branch Munshi Bhaban, Kolapatty Mor, Bhairab, Kishorgonj. Phone: 9471178, 01817-032726 |
| 8 | Mymensingh Branch 70, Choto Bazar, Mymensingh. Phone: 091-66714 |
| 9 | Agrabad Branch (AD) 96, Agrabad C/A, Chattogram. Phone: 031-713372-3 |
| 10 | Cumilla Branch 257,240, Monoharpur, Kotwali, Cumilla-3500. Phone: 081-64546, 01711-431174 |
| 11 | Amborkhana Branch 4877, 4874 Amborkhana, Sylhet-3100. Phone: 01777-767929 |
| 12 | Zindabazar Branch Jalalabad House, Zindabazar, Sylhet. Phone: 0821-722078-9, 01711-431175 |
| 13 | Saidpur Branch (AD) Shahed Dr. Zikrul Haque Road, Saidpur, Nilphamari. Phone: 05526-72804, 01716-236334 |
| 14 | Shahjadpur Branch Chowdhury Plaza, Dariapur Bazar Shahjadpur, Sirajgonj. Phone: 07527-64052, 07527-64053, 01762-331990, 01557-718828 |
| 15 | Chapainawabganj Branch Teacher's Plaza (1st Floor), 42/14, Baten Khar More, Chapainawabganj Sadar, Chapainawabganj. Phone: 0781-515 45 (D), 0781-515 46, 017 28 50 40 26 |

9.3. Banker

Al-Arafah Islami Bank Ltd has been appointed to act as the Bankers' of the fund by the asset manager. The public subscription money collected from the investors will be remitted to the following bank account:

Account Name: CAPITEC PADMA PF SHARIAH UNIT FUND

Account Number: 1171220000397

Bank: AL-ARAFAH ISLAMI BANK LTD.

Branch: Karwan Bazar, Dhaka.



9.4. Forms

Specimen copies of the following forms are given in the following pages:

- 1) Application Form to Purchase Units, Individual
- 2) Application Form to Purchase Units, Institution
- 3) Surrender/Repurchase Form
- 4) Transfer Form



Nominee

Name

Father/Husband: Mother:

Address: Nationality:

Date of Birth: DD/MM/YYYY NID/Passport No.: Occupation:

Phone No.: Email: eTIN No.:

Relationship with Principal Applicant: BO A/C No.:

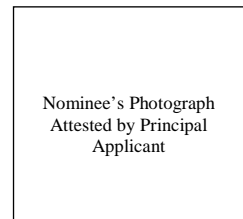
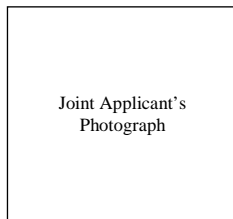
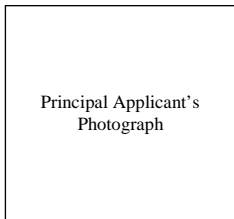
Document Enclosed

- NID/Passport (Applicant and Nominee) Photocopy of a Blank Undated Cheque Leaf
- Passport Size Photograph (Applicant: 2 copies, Nominee: 1 copy) eTIN Certificate (Applicant)

Applicant(s) Signature

| | | | |
|---------------------|-----------------------------------|--------------------------|---------|
| Principal Applicant | DD/MM/YYYY Date of Application | Joint Applicant (if any) | Nominee |
|---------------------|-----------------------------------|--------------------------|---------|

Signature(s) and Photograph



Terms and Conditions

1. The units of "CAPITEC Padma P.F. Shariah Unit Fund", hereinafter referred to as the fund, may be bought /surrendered through Capitec Asset Management Ltd. (Capitec) and authorized selling agents appointed by Capitec from time to time. Surrender of units is allowed through Capitec or the selling agent from which the units are originally purchased.
2. Application must be made by an individual (both resident and non-resident), a corporation or company (both local and foreign), a trust or a society (registered in or outside of Bangladesh) and not by a firm, minor or persons of unsound mind.
3. Joint application is acceptable by two persons. Registration and unit allocation confirmation will be in favor of principal applicant while dividend and other benefits, if any, will be addressed to bank account of principal applicant mentioned in the application form. In case of the death of any of the joint holders, only the survivor shall be recognized as having any title to the units. On death of both the joint holders, the units will bestow upon the nominee.
4. Minimum purchase quantity for individual investors is 500 (Five hundred) units and for institutional investors is 5,000 (Five thousand) units.
5. Application for purchase of units should be accompanied by an account payee cheque/pay order/bank draft in favor of "CAPITEC Padma P.F. Shariah Unit Fund" for the total value of units.
6. After clearance/encashment of cheque/draft/pay order the applicant will be issued with a confirmation of unit allocation for every purchase with a denomination of number of units he/she/the institutional investor applies for. If, BO A/C is provided, the units will also be delivered to the unit holder's BO A/C in demat form.
7. Partial surrender (fraction of total units held under a unit allocation confirmation) is allowed without any additional cost subject to minimum surrender quantity is 500 (Five Hundred) units for individuals and 5,000 (Five thousand) units for institutions. Upon partial surrender, the unit holder will be issued with a new confirmation of allocation representing the balance of his unit holding.
8. The units may be transferred by way of inheritance/gift and/or by specific operation of the law. In case of transfer the fund will charge a nominal fee as decided by Capitec from time to time except in the case of transfer by way of inheritance.
9. Dividend may be delivered in cash or by way of units under Cumulative Investment Plan (CIP) as the applicant gives option in the application form.
10. All payments /receipts in connection with or arising out of transactions in the units hereby applied for shall be in Bangladeshi Taka.

OFFICIAL USE ONLY

Date: DD/MM/YYYY Registration No.:

Sale No. Certificate No.:

No. of Units:

Issuing Officer Sign, Seal & Stamp

I/we confirm that, I/we have received the unit allocation confirmation mentioned above and also that I/we have read, understood and agree to abide by the terms set out above as may be altered, replaced and modified from time to time by Capitec Asset Management Company Limited.

| | | |
|---------------------|--------------------|--------------------------|
| Principal Applicant | DD/MM/YYYY Date | Joint Applicant (if any) |
|---------------------|--------------------|--------------------------|



CAPITEC PADMA P.F. SHARIAH UNIT FUND
APPLICATION FORM TO PURCHASE UNITS – INSTITUTION

(Please Read “Terms and Conditions” overleaf carefully and fill up the form in BLOCK Letters)

To
Managing Director
Capitec Asset Management Ltd.
Padma Life Tower (10th floor), Lift - 09,
115, Kazi Nazrul Islam Avenue,
Banglamotor, Dhaka - 1000

Official Use Only

Registration No.

Sale No.

I/We would like to purchase units of CAPITEC PADMA P.F. SHARIAH UNIT FUND,
at price of Tk. per unit, prevailing on the sale date. I/We enclose Cheque/P.O./D.D. No.
..... Bank Branch for an amount of
Tk (In words: Tk only) with this application.

Name of Institution

Type of Institution: Local Company Foreign Society Trust Other

Registration No.: eTIN No.:

Name of MD/CEO:

Address:

Phone No. (1): Phone No. (2): Fax No.:

Email: Bank:

A/C No.: Branch: Routing No.:

BO A/C No.: Registration No. (if any): Units Held (if any):

Investment Option: SIP Non-SIP Dividend Option: Cash CIP

Details of Authorized Person(s), if any

| Sl. No. | Name | Designation | Signature | Contact No. |
|-----------------|------|-------------|-----------|-------------|
| 1 st | | | | |
| 2 nd | | | | |

Mode of Operation: Jointly by Single by.....

Document Enclosed

- Memorandum and Article of Association
- Extract of Board Resolution
- eTIN Certificate
- Power of Attorney in Favor of Authorized Person(s)
- Trade License/Trust Deed
- Certificate of Incorporation

Applicant(s) Signature

Seal & Signature of the Authorized Person(s)

DD/MM/YYYY

Date of Application

Acknowledgement

Sale No.: Date: DD/MM/YYYY

Certified that this selling agent/Capitec has received a Cheque/P.O./D.D. No.
Bank Branch for an amount of
Tk (In words: Tk only) from
..... being the application money for
CAPITEC PADMA P.F. SHARIAH UNIT FUND.

Selling Agent’s Seal and Date

Authorized Person’s Signature and Date



Signature(s) and Photograph

MD/CEO

1st Authorized Person

2nd Authorized Person

Terms and Conditions

1. The units of "CAPITEC Padma P.F. Shariah Unit Fund", hereinafter referred to as the fund, may be bought /surrendered through Capitec Asset Management Ltd. (Capitec) and authorized selling agents appointed by Capitec from time to time. Surrender of units is allowed through Capitec or the selling agent from which the units are originally purchased.
2. Application must be made by an individual (both resident and non-resident), a corporation or company (both local and foreign), a trust or a society (registered in or outside of Bangladesh) and not by a firm, minor or persons of unsound mind.
3. Joint application is acceptable by two persons. Registration and unit allocation confirmation will be in favor of principal applicant while dividend and other benefits, if any, will be addressed to bank account of principal applicant mentioned in the application form. In case of the death of any of the joint holders, only the survivor shall be recognized as having any title to the units. On death of both the joint holders, the units will bestow upon the nominee.
4. Minimum purchase quantity for individual investors is 500 (Five hundred) units and for institutional investors is 5,000 (Five thousand) units.
5. Application for purchase of units should be accompanied by an account payee cheque/pay order/bank draft in favor of "CAPITEC Padma P.F. Shariah Unit Fund" for the total value of units.
6. After clearance/encashment of cheque/draft/pay order the applicant will be issued with a confirmation of unit allocation for every purchase with a denomination of number of units he/she/the institutional investor applies for. If, BO A/C is provided, the units will also be delivered to the unit holder's BO A/C in demat form.
7. Partial surrender (fraction of total units held under a unit allocation confirmation) is allowed without any additional cost subject to minimum surrender quantity is 500 (Five Hundred) units for individuals and 5,000 (Five thousand) units for institutions. Upon partial surrender, the unit holder will be issued with a new confirmation of allocation representing the balance of his unit holding.
8. The units may be transferred by way of inheritance/gift and/or by specific operation of the law. In case of transfer the fund will charge a nominal fee as decided by Capitec from time to time except in the case of transfer by way of inheritance.
9. Dividend may be delivered in cash or by way of units under Cumulative Investment Plan (CIP) as the applicant gives option in the application form.
10. All payments /receipts in connection with or arising out of transactions in the units hereby applied for shall be in Bangladeshi Taka.

OFFICIAL USE ONLY

Date: DD/MM/YYYY Registration No.:

Sale No. Certificate No.:

No. of Units:

Issuing Officer Sign, Seal & Stamp

I/we confirm that, I/we have received the unit allocation confirmation mentioned above and also that I/we have read, understood and agree to abide by the terms set out above as may be altered, replaced and modified from time to time by Capitec Asset Management Company Limited.

Seal & Signature of the Authorized Person(s)

DD/MM/YYYY
Date of Application



CAPITEC PADMA P.F. SHARIAH UNIT FUND
REPURCHASE/SURRENDER FORM

(Please Read "Terms and Conditions" overleaf carefully and fill up the form in BLOCK Letters)

To
Managing Director
Capitec Asset Management Ltd.
Padma Life Tower (10th floor), Lift - 09,
115, Kazi Nazrul Islam Avenue,
Banglamotor, Dhaka - 1000

Official Use Only

Repurchase/Surrender No.:

Registration No.

I/We address (if changed)
..... am/are the holder(s) of units of
CAPITEC PADMA P.F. SHARIAH UNIT FUND. I/We would like to repurchase/surrender
units (in words units) at the Repurchase/Surrender price of Tk.
..... per unit as declared by the asset manager, Capitec Asset Management Ltd, on DD/MM/YYYY

My/Our repurchase/surrender request is summarized below:

| Sl No. | Unit Allocation Confirmation No. | Number of Units Held Under This Allocation No. | To be Surrendered | | |
|--------|----------------------------------|------------------------------------------------|-------------------|-----------------------------------------|-----------------------|
| | | | Number of Units | Surrender/Repurchase Price (in Tk/Unit) | Total Surrender Value |
| | | | | | |
| | | | | | |

I/We, attach herewith the above mentioned unit allocation confirmation(s). Please issue an account payee cheque in favor of me/us for total surrender amount and issue a unit allocation confirmation for balance units, if any, at your earliest convenience.

DD/MM/YYYY
Date

Signature of Unit Holder(s)

Witness

1. Signature

Name:

Father's/Husband's Name:

Address:

2. Signature

Name:

Father's/Husband's Name:

Address:

Acknowledgement

Sale No.:

Date: DD/MM/YYYY

Received the Unit Allocation Confirmation for repurchase as mentioned below:

Registration No.

1. Unit Allocation Confirmation No. Quantity Surrendered Quantity

2. Unit Allocation Confirmation No. Quantity Surrendered Quantity

Selling Agent's Seal and Date

Authorized Person's Signature and Date



Terms and Conditions

1. The units of "CAPITEC Padma P.F. Shariah Unit Fund", hereinafter referred to as the fund, may be bought/surrendered through Capitec Asset Management Ltd. (Capitec) and authorized selling agents appointed by Capitec from time to time. Surrender of units is allowed through Capitec or the selling agent from which the units are originally purchased.
2. Units may be surrendered on all working days except last working day of the week and during the book closure period of the fund.
3. Minimum repurchase quantity for individual investors is 500 (Five hundred) units and for institutional investors is 5,000 (Five thousand) units.
4. Partial surrender (fraction of total units held under a unit allocation confirmation) is allowed without any additional cost subject to minimum surrender quantity is 500 (Five Hundred) units for individuals and 5,000 (Five thousand) units for institutions. Upon partial surrender, the unit holder will be issued with a new confirmation of allocation representing the balance of his unit holding.
5. Unit holder is required to attach the Unit Allocation Confirmation Letter(s) he/she/the institution wants to repurchase along with this repurchase form.
6. After verification of authenticity of Confirmation of Unit Allocation Letter(s), account payee cheque for surrender amount will be issued in favor of unit holder within maximum of five (5) working days. In case of joint holding, account payee cheque will be issued in favor of principal holder

OFFICIAL USE ONLY

Date of Issuance of Cheque: DD/MM/YYYY Cheque No.:

Amount Tk: (In words..... Tk. only)

in favor of

For balance unit, if any,

Registration No. Surrender No.:

Unit Allocation Confirmation No.: Number of Units:

Date of Issuance of Unit Allocation Confirmation DD/MM/YYYY

Issuing Officer Sign, Seal & Stamp

I/we confirm that I/we have received the cheque and/or Unit Allocation Confirmation, if any, as mentioned above.

DD/MM/YYYY
Date

Signature of Unit Holder(s)



Document Enclosed

If Individual,

- NID/Passport (Applicant and Nominee)
- Passport Size Photograph (Applicant: 2 copies, Nominee: 1 copy)

- Photocopy of a Blank Undated Cheque Leaf
- eTIN Certificate (Applicant)

If Institution,

- Memorandum and Article of Association
- Power of Attorney in Favor of Authorized Person(s)
- eTIN Certificate

- Extract of Board Resolution
- Trade License/Trust Deed
- Certificate of Incorporation

Witness

1. Signature

Name:
Father's/Husband's Name:
Address:

2. Signature

Name:
Father's/Husband's Name:
Address:

Signature and Date

Signature of Transferor

Signature of Transferee

Details of Person(s), if any

| Sl. No. | Name | Designation | Signature | Contact No. |
|-----------------|------|-------------|-----------|-------------|
| 1 st | | | | |
| 2 nd | | | | |

Mode of Operation: Jointly by Single by.....

Signature(s) and Photograph

Principal Applicant's
Photograph /
MD/CEO (If Institution)

Joint Applicant's
Photograph /
1st Authorized Person (If
Institution)

Nominee's Photograph
Attested by Principal
Applicant /
2nd Authorized Person (If
Institution)

FOR OFFICIAL USE ONLY

Checked & Verified by, Name: Signature & Date: DD/MM/YYYY

Terms and Conditions

- The units may be transferred by way of inheritance/gift and/or by specific operation of the law. In case of transfer the fund will charge a nominal fee as decided by Capitec Asset Management Ltd. (Capitec) from time to time except in the case of transfer by way of inheritance
- Transfer of units is allowed only through Capitec or the selling agent from which the units were originally purchased.
- The units will be transferred on all working days except the last working day of the week and during the book closure period/record date of the fund.
- The total number of units held by a single unit allocation confirmation is required to be transferred at a time.
- Partial transfer (fraction of total units held under a single unit allocation confirmation) is not allowed. However, the unit holders may split unit allocation confirmation to his/her desired denomination, but not less than 500 (five hundred) units per unit allocation confirmation, for the purpose of transfer.
- The Unit Allocation Confirmation(s) of the transferor is/are required to be attached with the Transfer Form.
- The conditions applicable for original unit allocation confirmation will apply even after transfer of units in the name of Transferee.

FOR OFFICIAL USE ONLY

Transferee's Registration No.: Transfer No.:

Certificate No.: Unit Allocation Confirmation No.:

Number of Units:

Issuing Officer Sign, Seal & Stamp

I/We, the said transferee, have received the above mentioned unit allocation confirmation and do hereby agree to accept and take the said unit allocation confirmation on the same terms and conditions on which they were held by the said transferor.

DD/MM/YYYY
Date

Signature of Transferee



Capitec Asset Management Limited

Padma Life Tower 10th Floor (Lift 9), 115, Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka 1000.
Telephone: +88-02-9346789; Website: www.capitecbd.com; Email: info@capitecbd.com