



**Royal Bengal Investment Management Company**

# PROSPECTUS

## **RBIMCO BGFI Fund (Growth Fund)**

An Open-end Mutual Fund Scheme

**Royal Bengal Investment Management Company Limited.**

MHK Terminal,

110 Kazi Nazrul Islam Avenue

Dhaka 1000, Bangladesh



Royal Bengal Investment Management Company

**RBIMCO BGFI FUND**  
**PROSPECTUS**  
**MANAGED BY ROYAL BENGAL INVESTMENT**  
**MANAGEMENT COMPANY (RBIMCO) LTD.**

<b>Size of Issue</b> Initial Size BDT 100,000,000.00 Total Number of Unit 10,000,000
<b>Initial/Opening Price</b> BDT 10 per Unit
<b>Initial Subscription Opens</b> 05 July 2021
<b>Sponsor</b> Royal Bengal Investment Management Company Limited
<b>Asset Manager</b> Royal Bengal Investment Management Company Limited
<b>Trustee</b> Bangladesh General Insurance Company Limited
<b>Banker</b> BRAC Bank Limited
<b>Auditor</b> Hoda Vasi Chowdhury & Co, Chartered Accountants
<b>Custodian</b> BRAC Bank Limited
<b>Publication of Prospectus</b> 6 June 2021
<b>Abridged Version of Prospectus Advertised in Newspaper</b> 27 June 2021



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## Executive Summary

The RBIMCO BGFI Fund (Fund) is a special purpose fund that focuses primarily on the Government Securities (G-Sec) market. A Government Security is a tradable instrument issued by Government of Bangladesh. It acknowledges the Government's debt obligation. As per agreement between The Government of Bangladesh and Bangladesh Bank in 1985 (Treasury rules-1998 (Appendix-1, Section-3) and Bangladesh Bank (BB) Order-1972, article 20) empowers BB to issue new loans and manage public debt for the Government. Major Government Securities are Bangladesh Bank Bills (BB Bills), Treasury bills (T-Bills), Treasury Notes (T-Notes) and Treasury Bonds (T-Bonds). BB Bills are short term securities and its maturity varies from 7 days to 30 days. T-Bills are short term securities with original maturities of less than one year. Its maturity varies from 91 days to 364 days. T-Notes and T-Bonds are long term securities with original maturity of two year or more. Its maturity varies from 2 years to 20 years. T-Notes are usually having maturity of 2 years to 10 years and maturity of T-Bonds are up-to 20 years. In Bangladesh there is no difference between T-Notes and T-Bonds and all G-Sec of having maturity of 2 years to 20 years are within the basket of T-Bonds. However, in the international market there is a difference between T-Notes and T-Bonds. Fund will also focus on any capital market instruments guaranteed by the Government of Bangladesh, whenever such instrument is issued and currently no such instrument is available.

Open end special purpose fund have an indefinite fund size and duration, and investors will be able to subscribe and redeem on specified dates determined by the Asset Manager. The Fund is aimed at professional investors of high net worth and qualifying institutions.

The Fund is managed by Royal Bengal Investment Management Company Limited (RBIMCO). RBIMCO is a private limited company and incorporated under the Companies Act 1994 of Bangladesh. It has received registration certificate from the Bangladesh Securities & Exchange Commission under Securities & Exchange Commission Act, 1993 on 19 February 2019 and also received consent for issuing prospectus for public offering. Over the period of 11 years since its incorporation, RBIMCO has managed and developed a substantial research base and therefore, possess a comprehensive understanding of the fiscal and monetary policy dynamics that will be at the heart of the supply and demand characteristics which shape and price the G-Sec yield curve. All this is in conjunction with our knowledge of trading yield curves, dealing with multiple coupon effects, bond convexity and embedded optionality. RBIMCO management team brings multiple decades of trading experience in major Government bond markets that will provide the asset manager with a significant edge for the benefit of the investors. We are therefore uniquely placed to manage G-Sec assets for investors.



## Fund Directory

### Registered Office

MHK Terminal,  
110 Kazi Nazrul Islam Avenue,  
Dhaka 1000, Bangladesh

Sponsor	Royal Bengal Investment Management Company Limited MHK Terminal, 110 Kazi Nazrul Islam Avenue, Dhaka 1000, Bangladesh
Trustee	Bangladesh General Insurance Company Ltd. 42, Dilkusha C/A, Motijheel, Dhaka
Asset Manager	Royal Bengal Investment Management Company Limited MHK Terminal, 110 Kazi Nazrul Islam Avenue, Dhaka 1000, Bangladesh
Auditor	Hoda Vasi Chowdhury & Co., Chartered Accountants BTMC Bhaban (7th & 8th Level), 7-9 Kazi Nazrul Islam Avenue, Kawran Bazar C/A, Dhaka – 1217
Banker	BRAC Bank Limited Head Office, Anik Tower 220/B Tejgaon Gulshan Link Road, Dhaka - 1208
Custodian	BRAC Bank Limited Head Office, Anik Tower, 220/B Tejgaon Gulshan Link Road, Dhaka-1208
CDBL	Central Depository Bangladesh Limited BDBL Bhaban (18th Floor), 12 Kazi Nazrul Islam Ave, Dhaka 1215

## Definitions and Abbreviations

Rule/বিধিমালা	সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১
Act	সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন আইন, ১৯৯৩
Asset Manager/Asset Management Company/ Fund Manager/ Investment Manager/AMC	The Asset Management Company (AMC) refers to Royal Bengal Investment Management Company Limited.
Application Form	A form meant to be used by an investor to purchase Units of the Scheme.
Auditor	Auditor means auditor of the Fund appointed under Clause 7 of the Deed of Trust and includes its successors and assigns.
BB	Bangladesh Bank
BDT	Bangladeshi Taka
BGFI (Synonymous to G-Sec)	Bangladesh Government Fixed Income Bangladesh Bank Bill (BB Bill), Treasury Bill (T-Bill), Treasury Note (T-Note) and Treasury Bond (T-Bond)
BO A/C	Beneficiary Owner's Account or Depository Account
BPID Account	Business Partner Identification Account. This account is maintained with the Bangladesh Bank and opened in the Market Infrastructure (MI) Module of Bangladesh Bank in favor of the individual/ institutional customers who purchase Government Securities.
Business Day	A day other than the following day: (1) A Friday, Saturday and public holiday; (2) A day on which the stock exchanges are closed; (3) A day on which purchase and redemption of Units is suspended or a book closure period/ record date announced by the Trustee/ AMC; or (4) A day on which banks are closed to make commercial banking business.
CEO/MD	Chief Executive Officer/ Managing Director
Calculation Period	(1) In relation to existing participant or existing investor of the Fund the period commencing from 01 July of a calendar year and ending on 30 June of a calendar year. (2) In relation to a new participant or new investor of the Fund the period commencing from the date of investment and ending on 30 June of a calendar year.



CDBL	Central Depository Bangladesh Limited.
Commission/BSEC	Bangladesh Securities and Exchange Commission
Companies Act	The Companies Act (Bangladesh), 1994
Custodian	BRAC Bank Limited
Government	The Government of the People's Republic of Bangladesh
Government Securities/G-Sec (Synonymous to BGFI)	Bangladesh Bank Bill (BB Bill), Treasury Bill (T-Bill), Treasury Note (T-Note) and Treasury Bond (T-Bond)
Growth Fund	Growth fund means such investment whose prime objective is long term capital appreciation as opposed to focusing on short term profit.
Special Purpose Fund/ The Fund/ Unit Fund/ Open End Special Purpose Fund / Fund	RBIMCO BGFI FUND
Prospectus	The advertisement or other documents (approved by the BSEC), which contain the investment and all other information in respect of the Fund, as required by the বিধিমালা and is circulated to invite the public to invest in the Fund.
Redemption dates	Means the dates when the investors may redeem their units, namely, 31 January, 30 April, 31 July and 31 October of a calendar year.
Subscription Period	First 3 (three) Business Days of any calendar month when the investors may subscribe unit of the Fund.
Sponsor	Royal Bengal Investment Management Company Limited
The Scheme	RBIMCO BGFI FUND
Trust Deed	Trust deed executed or to be executed between the Sponsor and the Trustee on or about the date of this Prospectus.
Unit	An unit of the Fund.
Unit Certificate	Certificate issued by the Fund against Unit.
Unit Holder	A holder of an Unit.

### Interpretation

For all purposes of this Prospectus, except as otherwise expressly provided or unless the context otherwise requires:

- Singular terms used in this Prospectus include the plural, and vice versa.
- Pronouns having a masculine or feminine gender shall be deemed to include the other.

## FUND HIGHLIGHTS

Name	RBIMCO BGFI Fund
Nature	Open end special purpose fund primarily focuses on the Government Securities and capital market instruments listed in Dhaka Stock Exchange.
Life and Size of the Fund	Perpetual life and unlimited size
Sponsor	Royal Bengal Investment Management Company Limited
Asset Manager	Royal Bengal Investment Management Company Limited (RBIMCO)
Trustee	Bangladesh General Insurance Company Limited
Custodian	BRAC Bank Limited
Banker	BRAC Bank Limited
Initial Size of the Fund	BDT 100,000,000.00 (Taka One Hundred Million) only divided into 10,000,000 units at par value of Tk. 10 each
Face Value	BDT 10 (Taka Ten) only per unit.
Objective	The objective of the Fund is to provide attractive risk adjusted return to the unit holders by investing the proceeds in the G-Sec market and capital market instruments listed in Dhaka Stock Exchange (DSE). The Fund targets to generate average investment returns in a range of around 5% - 15% per annum. No guarantee is given nor can be given as to the Fund actually achieving this objective.
Minimum Initial Subscription Amount	BDT 10,000,000.00 (Taka Ten Million) only comprising of 1,000,000 (One Million) units.
Prospective/ Eligible Investors	Professional investors of high net worth and qualifying institutions
Subscription / Redemption/ Transfer of Units	Over the Counter (OTC) of the Asset Manager
Redemption Rules	Redemption will be made at the end of 31 January, 30 April, 31 July and 31 October of a calendar year subject to prior written notice of 30 days. If the date of redemption is not a Business Day the Units may be redeemed on the next Business Day of the following months with NAV of last month. However, no redemption will be made during book closure period / record date of the Fund. Redemption funds will be made available to redeeming investors during 1st week after each stated quarter ends, namely Feb', May, Aug', Nov'. Redemption will be at NAV less all pro rata fees.
Transparency	NAV will be calculated on a monthly basis and shall be published on the website of the Fund Manager (www.rbimco.com) and as prescribed in the বিধিমালা.





Dividend Policy	Subject to the বিধিমালা and consent of the Trustee, the Fund Manager shall declare dividend of the Fund out of the annual net profit, payable annually of the Fund after finalization of the annual accounts. Dividend will be paid in cash and the Unit Holders will have the choice or instruct the Asset Manager to invest the dividend in the Fund on their behalf. However, the Unit holder must inform the Asset Manager within 30 days from the date of declaration of dividend. Fund shall distribute the dividend amongst the Unit Holders of the scheme of the Fund within 45 days of declaration of the dividend and the Fund Manager shall submit a report to the Commission and the Trustee within 7 days of distribution of the Dividend. Dividend so declared shall not be less than 50% of the annual net profit of the Fund or such other amount as determined by the Commission. Net profit will exclude mark to market gains that are unrealized.
Transferability	The Units of the Fund are transferable by way of inheritance/gift and/or by specific operation of the law.
Encashment	The Unit Holders can redemption and encash their Units to the Fund Manager. The Fund Manager shall be liable to redemption of the units on behalf of Fund.
Tax Benefit	Income or dividend of the Fund is subject to Tax in accordance with the provisions of the Income Tax ordinance 1984. Dividend of the Fund upto Tk. 25,000.00 is exempted from income tax for individual investors according to the Income Tax Ordinance 1984. Investment in the Fund will qualify for tax credit according to clause 10(1) of Schedule 6, Part B read with section 44(2) of the Income Tax Ordinance 1984. All capital gain and interest income within the Fund will be tax exempt. However, the provisions of the Income Tax Ordinance is subject to amendment by the Government every year through the Finance Act. As such the Sponsor, Asset Manager or the Trustee does not give any guarantee or undertaking that the provisions will remain same in the next financial year of Bangladesh. If the Unit Holder is a non-resident in Bangladesh said Unit Holder may get tax exemption subject to Double Taxation Avoidance Convention between the Government of Bangladesh and the Government of country of residence of the Unit Holder.
Reports and Accounts	Every Unit Holder is entitled to receive annual report along with the yearly and half-yearly statements of accounts as and when published from the website ( <a href="http://www.rbimco.com">www.rbimco.com</a> ) of the Fund Manager.

## CHAPTER 1: PRELIMINARY INFORMATION

### 1.1 Publication of prospectus

RBIMCO has received registration certificate from the Bangladesh Securities & Exchange Commission under the Securities and Exchange Ordinance 1969, সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন আইন, ১৯৯৩ and সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ and also received consent for issuing Prospectus for public offering. A complete copy of the Prospectus is available for public inspection at MHK Terminal, 110 Kazi Nazrul Islam Avenue, Dhaka 1000, Bangladesh, the corporate office of Royal Bengal Investment Management Company Limited – the Asset Manager of the Fund.

### 1.2 Consent of the Securities Commission

“APPROVAL OF BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THE FUND UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, THE SECURITIES AND EXCHANGE COMMISSION ACT 1993 AND THE SECURITIES AND EXCHANGE COMMISSION (MUTUAL FUND) RULES 2001. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS APPROVAL THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE FUND, ANY OF ITS SCHEMES OR THE ISSUE PRICE OF ITS UNITS OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ASSET MANAGER, SPONSOR AND/OR TRUSTEE.”

### 1.3 Listing of Fund

The Fund being an open end special purpose fund, it will not be listed with any stock exchange nor shall its fund units be traded on them. In that case public communication will be made as per approval of the Commission.

The Government Securities will be kept in a BPID account held with Bangladesh Bank to facilitate the holding and transfer of Units of the Fund and securities listed in DSE will be held with CDBL. Units of the Fund will be available for subscription during first 3 (three) business days of every calendar month and redemption at the end of 31 January, 30 April, 31 July and 31 October of a calendar year at the office of the Asset Manager subject to prior written notice of 30 days. If the redemption date is not a business day, redemption shall be made on the next Business Day of the following month on the basis of last month NAV. However, no redemption will be made during book closure period / record date of the Fund. Redemption funds will be made available to redeeming investors during 1st week after each stated quarter ends, namely Feb', May, Aug', Nov'. Redemption will be at NAV less all pro rata fees. Asset Manager shall disclose subscription price of Units at the beginning of business operation on the first working day of every month as per the Securities and Exchange Commission (Mutual Fund) Rules 2001. The Unit Holders may redeem their Unit Certificates during the Business Day and within business hour as specified by the Asset Manager i.e. Royal Bengal Investment Management Company Limited. Asset Manager shall be liable to redemption of the Units on behalf of the Fund. The redemption will be made on first come first serve basis.

### 1.4 Availability of Documents for Inspection

Copy of this Prospectus will be available for inspection at the head office of the Asset Manager at MHK Terminal, 110 Kazi Nazrul Islam Avenue, Dhaka 1000, Bangladesh. This Prospectus will be also available at the website of Bangladesh Securities and Exchange Commission ([www.sec.gov.bd](http://www.sec.gov.bd)) and Royal Bengal Investment Management Company Limited ([www.rbimco.com](http://www.rbimco.com)).

Copy of the Trust Deed, the Investment Management Agreement and the Prospectus may be inspected during the business hours at the head office of the Asset Manager. One may also purchase a copy of the Trust Deed and Investment Management Agreement by paying the price as determined by the Asset Manager.



## 1.5 Conditions under Section 2CC of the Securities and Exchange Ordinance 1969

### PART - A

- 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 BDT 10.00 (ten) each unit within 90 (ninety) days from the date of sale of such unit;
- 4) Money receipt /acknowledgement slip issued at the time of subscription 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) Annual report and details of investment and savings of the Fund shall be submitted to the Commission and Trustee 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 one Bengali national daily newspaper within 30 (thirty) days from the end of the period;
- 8) Dividend shall be distributed annually amongst the Unit Holders of the scheme of the Fund within 45 (Forty Five) days of its declaration, and a report shall be submitted to BSEC and Trustee 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 month;
- 10) Details statements of quarterly status of portfolio and other assets shall be published in Asset Manager's website ([www.rbimco.com](http://www.rbimco.com)) within 30 (Thirty) days of the end of each calendar quarter;
- 11) After initial subscription, the subscription and redemption price of Units will be determined by the Asset Management Company as per the Rule. NAV calculated on a date shall form the redemption price of Units by rounding up the amount and shall be effective up to next calculation of NAV of the Fund. The difference between subscription price and redemption price can vary as the subscription and redemption dates are significantly different. When subscription and redemption occur on the same date the difference between subscription and redemption price shall not exceed 3% of the sales price of the unit, which will be decided by the board of directors of the Asset Management Company. As an open end fund, both subscription and redemption value is a direct function of NAV less fees;
- 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 subscription proceeds of Units and to meet up day-to-day transactions including payment against redemption 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 of the widely circulated Bengali national daily newspapers after obtaining approval of the Bangladesh Securities and Exchange Commission and complete prospectus shall be made available to the applicants through website of AMC ([www.rbimco.com](http://www.rbimco.com)). Provided that information relating to publication of Prospectus in the form of advertisement be published in two national daily newspapers (Bengali and English);



Royal Bengal Investment Management Company

- 15) The approved Prospectus shall also be available at the head office of AMC and Trustee of the Fund;
- 16) If the Fund manager fails to collect the minimum amount as prescribed by Rule 48 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, they 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% per annum from its own account within the next month;
- 17) On achievement of the initial target amount as per Rule 46 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, the Fund can transfer the money from Escrow account to Operational Account and to commence investment activities of the Fund with permission of the Trustee;
- 18) The AMC should ensure compliance of Rule 46 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১;
- 19) The initial size of the fund is BDT 100 (One Hundred) million. The size of the Fund will be increased from time to time by the Asset Manager subject to approval of the Trustee and with intimation to the Commission.
- 20) Confirmation of Unit Allocation of the sponsor's contribution amounting to BDT 10,000,000.00 (Taka Ten Million) only shall be subject to a lock-in for a period of minimum of 3 (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;
- 21) A Confirmation of Unit allocation amounting BDT 10,000,000.00 (Taka Ten Million) only (10% of the initial size of the Fund) will be issued in favour of the Sponsor. The said Unit allocation confirmation letter shall be in the custody of the Trustee. No splitting of the Confirmation of Unit allocation letter of sponsor shall be made without prior approval of the Commission;
- 22) Annual fee of the Fund shall be submitted to the Commission on the Fund size i.e. year-end NAV at market price of the Fund on advance basis as per Securities and Exchange Commission (Mutual Fund) Rules 2001; and may adjust the fee in the next year, if necessary;
- 23) Subscription period of the fund will be 45 (forty-five) days which will be started on 05 July 2021 and be ended on 18 August 2021 as per বিধি 46 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.



## PART - B

- 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 is published correctly and is a verbatim copy of the Prospectus approved by the Commission;
- 5) The expiry date of the sponsor's locked-in portion shall be specifically mentioned on the body of the jumbo confirmation of unit allocation;
- 6) 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;
- 7) The AMC shall submit to the Commission a diskette containing the vetted prospectus and its abridged version;
- 8) 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;
- 9) After due approval by the Trustee regarding issue and formation expenses, the AMC shall submit in details along with supporting documents to the Commission regarding issue and formation expenses within 15 days of fund operation. The Auditor of the fund shall also put opinion about the above expenses in the initial financial statements of the fund;
- 10) The investment policy and guideline and information on constituents of Investment Committee of the fund approved by the Board shall be submitted to the Commission within 30 (thirty) days from the receipt of the Consent Letter. The investment policy and guide line shall include among other issues, the investment delegation power of Chief Executive Officer and the Committee separately and also the meeting resolution presentation process;
- 11) After due approval of the trustee, the asset manager shall submit the systematic investment plan (SIP) brochure to the Commission complying the Rules within 30 days of issuing the consent letter.

## 1.6 General Information

- 1) This Prospectus has been prepared by RBIMCO (Royal Bengal Investment Management Company Limited) based on the Trust Deed executed between the Trustee and the Sponsor of the Fund which is approved by the Commission and available publicly. The information contained herein is true and correct in all material aspects and there are no other material facts, the commission of which, would make any statement herein misleading.
- 2) No person is authorized to give any information to make any representation not contained in this Prospectus and if given or made, any such information or representation must not be relied upon as having been authorized by RBIMCO.
- 3) The issue as contemplated in this Prospectus is to be issued in Bangladesh and is subject to the exclusive jurisdiction of the Courts of Bangladesh. Forwarding this Prospectus to any person residing outside Bangladesh in no way implies that Fund, Asset Manager, Trustee or Sponsor is assuming jurisdiction of the laws of that country.

## 1.7 Subscription and Redemption of Units

Subscription and redemption of Units of the Fund will commence at the registered office of RBIMCO on 05 July 2021 and will be conducted in line with the subscription and redemption terms listed in this Prospectus.

RBIMCO Ltd. will maintain BO accounts with BRAC Bank Ltd., custodian of RBIMCO BGFI Fund for creation and redemption of units of RBIMCO BGFI Fund. In the case of sale/purchase of unit funds by the investor, units will be transferred to the unit holders' BO accounts as per instruction of Asset Manager after acceptance of demat setup by the custodian.

In the case of redemption of 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.

## 1.8 Declarations

### Declarations about responsibility of the Sponsor

The Sponsor, Royal Bengal Investment Management Company Limited, accepts full responsibility for the authenticity and accuracy of the information contained in this Prospectus and other documents regarding RBIMCO BGFI Fund. To the best of the knowledge and belief of the Sponsor, who has taken all reasonable care to ensure that all the conditions and requirements concerning this public offer and all information contained in this Prospectus, drawn up by virtue of the Trust Deed of the Fund by the entrusted Asset Management Company have been met and there is no other information or document, the omission of which may make any information or statements there in misleading.

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

**Sd/-**

**Maruf H. Khan Noorpuri**

Managing Director

Royal Bengal Investment Management Company Limited

MHK Terminal,

110 Kazi Nazrul Islam Avenue,

Dhaka 1000, Bangladesh



### **Declarations about responsibility of the Trustee**

We, as Trustee of the RBIMCO BGFI Fund, accept the responsibility and confirm that we shall:

- I. be the guardian of the Fund, held in trust, for the benefit of the Unit Holders in accordance with the Rules and the Trust Deed;
- II. always act in the interest of the Unit Holders;
- III. 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;
- IV. make sure that there is no contradiction between Prospectus, Trust Deed and the Rules;
- V. 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;
- VI. and 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 relevant Rules.

**Sd/-**

**Ahmed Saifuddin Chowdhury**

Managing Director

Bangladesh General Insurance Company Limited

### **Declarations about responsibility of the Custodian**

We, as Custodian of the "RBIMCO BGFI Fund", accept the responsibility and confirm that we shall:

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

**Sd/-**

**Tareq Refat Ullah Khan**

Deputy Managing Director & Head of Corporate Banking

BRAC Bank Limited

### **Declarations about responsibility of the Asset Manager**

The Prospectus of the Fund has been prepared by us based on the Trust Deed, the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ and other related agreements and examination of other documents as relevant for adequate disclosure of the Funds objectives and investment strategies to the investors. We also confirm that,

- i. The Prospectus is in conformity with the documents, materials and papers related to the public offer;
- ii. All the legal requirements of the public offer have been duly fulfilled; and
- iii. 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 such no guarantee can be made about the returns from the investments that the Fund will make. Like any other investment, only investors who are willing to accept a moderate degree of risk, should invest in the Fund. Investors are requested to pay careful attention to the risk factors as detailed in the Risk Factor section of the Prospectus and to take proper cognizance of the risks associated with any investment in the Fund.

**Sd/-**

**Maruf H. Khan Noorpuri**

Managing Director

Royal Bengal Investment Management Company Limited

## 1.9 Due Diligence Certificate:

### Due diligence certificate by Sponsor

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

#### **Subject: RBIMCO BGFI Fund (Fund).**

We, the sponsor of the above-mentioned forthcoming special purpose 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 provisions of the Trust Deed of the Fund 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/-**

**Maruf H. Khan Noorpuri**

Chief Executive Officer

Royal Bengal Investment Management Company Limited





Royal Bengal Investment Management Company

## Due diligence certificate by Trustee

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

### Subject: RBIMCO BGFI Fund (Fund).

We, the under-noted trustee to the above-mentioned forthcoming special purpose 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, 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 have 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 Rules 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 Rules 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.

For Trustee

**Sd/-**

**Ahmed Saifuddin Chowdhury**

Managing Director  
Bangladesh General Insurance Company Limited

## Due diligence certificate by Custodian

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

### Subject: RBIMCO BGFI Fund (Fund).

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

1. We, while act as custodian 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, 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 have 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 Rules have been complied with;
- d) We shall also abide by the Rules and conditions imposed by the Commission as regards of the Fund; and
- e) We shall act to our best for the benefit and sole interests of the Unit Holders of the Fund.

For Custodian

**Sd/-**

**Tareq Refat Ullah Khan**

Deputy Managing Director & Head of Corporate Banking  
BRAC Bank Limited



Royal Bengal Investment Management Company

## Due diligence certificate by Asset Manager

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

### Subject: RBIMCO BGFI Fund (Fund).

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

1. We, while act as asset manager to the above mentioned 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

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, 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) 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/-**

**Maruf H. Khan Noorpuri**

Chief Executive Officer

Royal Bengal Investment Management Company Limited



## CHAPTER 2: BACKGROUND



### 2.1 G-Sec Market Background

A Government Security or G-Sec (Synonymous to BGFI) is a tradable instrument issued by Government of Bangladesh. It acknowledges the Government's debt obligation. As per agreement between The Government of Bangladesh and Bangladesh Bank in 1985 (Treasury rules-1998 (Appendix-1, Section-3) and Bangladesh Bank (BB) Order-1972, article 20 empowers BB to issue new loans and manage public debt for the Government. Major Government Securities are Bangladesh Bank Bills (BB Bills), Treasury bills (T-Bills), Treasury Notes (T- Notes) and Treasury Bonds (T-Bonds). BB Bills are short term securities and its maturity varies from 7 days to 30 days. T-Bills are short term securities with original maturities of less than one year. Its maturity varies from 91 days to 364 days. T- Notes and T-Bonds are long term securities with original maturity of two year or more. Its maturity varies from 2 years to 20 years. T-Notes are usually having maturity of 2 years to 10 years and maturity of T-Bonds are upto 20 years. In Bangladesh there is no difference between T-Notes and T-Bonds and all G-Sec of having maturity of 2 years to 20 years are within the basket of T-Bonds. However, in the international market there is a difference between T-Notes and T-Bonds.

The main feature of BB Bills and T- Bills are:

- Price is determined by the market;
- Principal is guaranteed at maturity date;
- They are issued at a discount and redeemed at the face value at maturity;
- Tradable in the secondary market;
- Issued in dematerialized or scripless form;
- Bangladesh Bank released monthly calendar through BB website.

The main feature of T-Notes and T-Bonds are:

- Risk free coupon bearing debt instrument;
- Principal is guaranteed at maturity date;
- Maturities are available within 2-20 years;
- It carries half yearly coupon payment and the principal is repaid on maturity;
- Yield is determined by the market;
- Tradable in the secondary market;
- Issued in dematerialized or scripless form;
- Bangladesh Bank released monthly calendar through BB website.

Weekly (usually on Sunday) auctions of T-Bills and BB Bills are held following a pre-announced auction calendar with a specified amount. Bidders quote their prices. The Auction Committee determines the cut-off price from the offered prices. Monthly (usually on Tuesday) auction of T-Notes and T-Bonds of a particular tenor is held following a pre-announced auction calendar with the specific amount. In case of new issue bidders quote their expected yields and in re-issue auction they have to quote price.

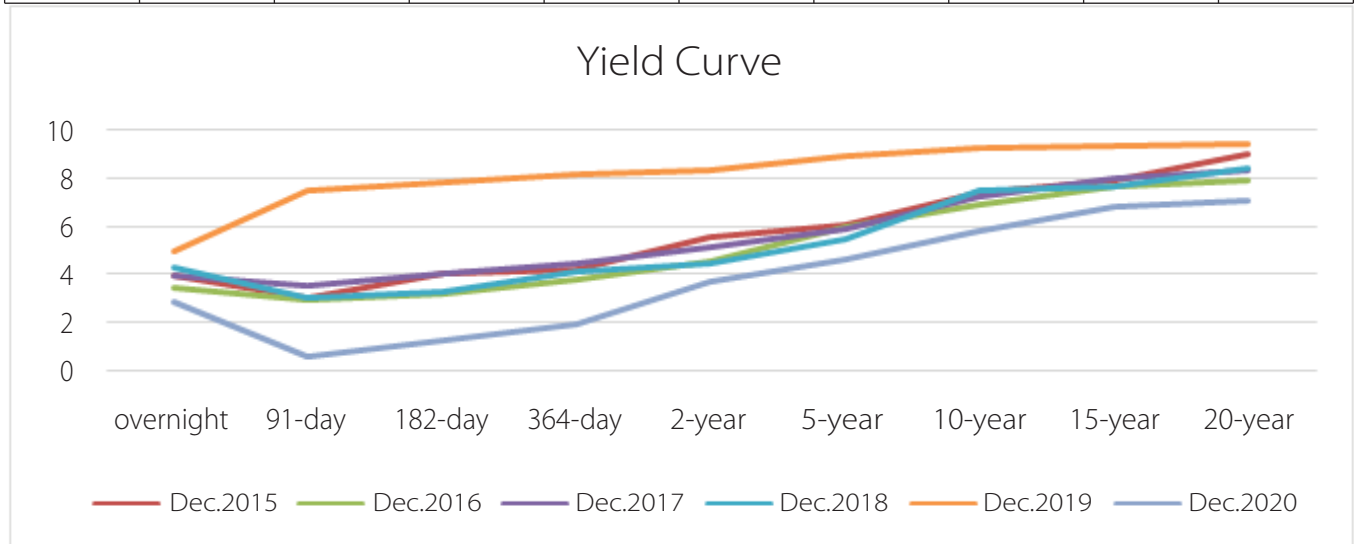
Primary Dealers (PDs) can place bids in auction. Other commercial banks and Non-Bank Financial institutions, Insurance companies, corporate, individuals, provident fund etc. can also participate in auction through PDs. The issuing process of the Government Securities shows that rather than paying fixed interest payments like conventional bonds, the appreciation of the bill provides the return to the holder. Minimum bid amount for G-Sec is Taka one lac/0.1 million and its multiples.

In Bangladesh, a Multiple-units Auction Model is followed. Two types of bids may be submitted at the auction: Competitive bids and Non-competitive bids. Competitive bids specify both the quantity of the security sought and a yield. If the specified yield is within the range accepted at the auction, the bidder is awarded the entire quantity sought unless the specified yield is the highest rate accepted, in which case the bidder is awarded a prorated portion of the bid (also known as Dutch auction). Non-competitive bids specify only the quantity of the security sought and allocated at auction average.

Individuals and institutions resident in Bangladesh such as banks, non-banking financial institutions, insurance companies, corporate bodies, authorities responsible for the management of provident funds, pension funds etc. are eligible to purchase G-Sec. However, Foreigners/Non-resident individual/institutions can buy T- Notes and T-Bonds of any maturity from primary and secondary market through Primary Dealers and other Banks. The purchase value of T-Notes and T-Bonds shall be paid from the investors fund in Non-resident Foreign currency Account and in Non-resident Investors Taka Account (NITA) maintained with a bank in Bangladesh. Coupon payments and redemption proceeds are freely transferrable abroad in foreign currency after deduction of applicable taxes. Bonds purchased by a non-resident may freely be resold anytime (no lock in period) to any resident or non-resident.

## 2.2 Yields on G-Sec

	overnight	91-day	182-day	364-day	2-year	5-year	10-year	15-year	20-year
<b>Dec, 2020</b>	2.87	0.55	1.25	1.87	3.71	4.64	5.81	6.82	7.06
<b>Dec, 2019</b>	5.00	7.50	7.83	8.20	8.33	8.97	9.23	9.33	9.43
<b>Dec, 2018</b>	4.25	3.00	3.25	4.10	4.41	5.45	7.54	7.70	8.44
<b>Dec, 2017</b>	4.00	3.54	4.05	4.50	5.14	5.94	7.24	7.99	8.34
<b>Dec, 2016</b>	3.50	2.98	3.20	3.81	4.54	6.00	6.89	7.64	7.89
<b>Dec, 2015</b>	3.90	3.00	3.98	4.20	5.50	6.00	7.40	7.87	8.99



The G-Sec yield curve has gradually been shifting downwards since 2014, however in the recent couple of years yields have begun to rise on expectations of higher inflation and wider budget deficits. Going forward, it may be expected that the yield curve may continue to flatten with the front end doing most of the yield rising. The market views will change at short notice and the Asset Manager is not beholden to a fixed view and will alter positions on a pro-active basis.

## 2.3 Fund Objectives

The Fund primarily focuses on the G-Sec market and capital market instruments listed in the Dhaka Stock Exchange (DSE). The Fund's investment objective is to outperform a blend of bank Fixed Deposit rates and 3 month T-Bill. The Fund targets to generate average investment returns in a range of around 5% - 15% per annum. No guarantee is given nor can be given as to the Fund actually achieving this objective.

## 2.4 Why G-Sec?

- a) G-Sec is the single highest credit quality available in Bangladesh;
- b) G-Sec market is the single largest asset class in Bangladesh with total outstanding debt of about USD 30 billion (BDT 2.5 trillion) in BDT equivalent;
- c) G-Sec asset class is the only asset class that can offer investors a choice of durations ranging from 91 days to 20 years which will enable investors to match a variety of liabilities and income streams as per their requirements;
- d) G-Sec assets accrue interest daily and there are no penalties of any nature for the early sale of the asset;
- e) G-Sec assets provide substantial capital gain opportunities in a falling interest rate environment and such capital gains are tax free;
- f) G-Sec assets are auctioned on weekly and monthly basis by the Bangladesh Bank which ensures the transparency and the price being discoverable;
- g) BGFI asset class is already actively transacted by all commercial banks in Bangladesh, of which there are over 60;
- h) RBIMCO's performance in the G-Sec in the past six years has cumulatively generated total returns of over 140%. In addition and more critically, RBIMCO's risk adjusted return has been superior to alternative investments in all time frames. See below note 5.4 for comparative return.

## 2.5 Advantages of investing in the Fund

The Fund's primary focus is on G-Sec market and capital market instruments listed in the Dhaka Stock Exchange (DSE). G-Sec market is the single largest securities market in Bangladesh and total outstanding is at least 3 times the publicly traded equity markets. Currently the primary traders and investors are the commercial banks, which numbers around 60. Investing in G-Sec is an absolutely risk free investment in terms of coupon payment and principal maturity since it is issued by the Government of Bangladesh. Investors can get attractive rate of interest since the yield is determined in the market. Since G-Sec are tradable in the secondary market, one can obtain instant liquidity by selling them in the market. All receipt of interest and maturity are fully repatriable in case of foreign investment. All G-Sec can be sold in the OTC and secondary market. G-Secs are auctioned weekly and monthly operating in an established calendar. All holders of G-Sec product will have an account with the Bangladesh Bank (the country's central bank). Therefore the Bangladesh Bank acts as the central clearing system. The Fund will mainly be long only. There is currently no ability to hedge interest rate risk because there are no derivatives available and the shorting of G-Sec is not yet possible.

From an opportunity and timing perspective, we believe investors of Bangladesh are substantially underinvested in the G-Sec product and with the growing insurance and pension market of Bangladesh there is a significant need for professionally managed Fixed Income fund.

G-Sec is the highest quality product in BD, with strong liquidity, absorption capacity, guaranteed regular cash flow, significant maturity differentiations and zero default risk.



The settlement system for trading in Government securities, which is based on Delivery versus Payment (DvP), is a very simple, safe and efficient system of settlement. The DvP mechanism ensures transfer of securities by the seller of securities simultaneously with transfer of funds from the buyer of the securities, thereby mitigating the settlement risk.

G-Sec is a compelling investment not just in terms of nominal returns but particularly attractive when properly viewed in risk adjusted and volatility adjusted terms.

## **2.6 Strategy and Risk Management**

The strategy for the Fund is based upon a macroeconomic foundation. The Asset Manager will devise a “top down” approach that will establish a method that converts the macroeconomic knowledge down into managing the positioning of risk across the G-Sec yield curve. The Asset Manager has already been active in Bangladesh for eight years and has built up a track record in the capital markets as well as a substantial research base. This allows for a comprehensive understanding of the fiscal and monetary policy dynamics that will be at the heart of the supply and demand characteristics, which shape and price the G-Sec yield curve. All this is in conjunction with our proven knowledge of trading yield curves globally, dealing with multiple coupon effects, bond convexity and embedded optionality will enable the Asset Manager to perform. Asset manager is therefore uniquely placed to manage G-Sec assets for investors.

The investments of the Fund will be unleveraged and thereby all leverage related risks will be entirely avoided. The members of the investment team will draw upon their experiences in global markets, which cumulatively range over 150 years. The Asset Manager has been trading successfully G7 Government Fixed Income and Emerging Market Government Fixed Income since 1983. This wealth of experience with specific understanding of G-Sec, positions us with unique advantages to manage funds in this asset class.

The Asset Manager will deploy in the G-Sec market the multi decade experience gained in managing and trading fixed income assets in multiple sovereign jurisdictions. In addition, trading and managing a Government bond portfolio that is being auctioned with regularity requires a specific understanding of the execution, settlement, liquidity, coupon effects, yield curve and regulatory dynamics that prevail in the market at hand, in our case the G-Sec market.

Summarizing, our Global Fixed Income trading success as well as our proprietary RBIMCO Ltd. success in the G-sec markets can be transferred and applied to manage investor funds in the G-Sec market. The knowledge and skills that Asset Manager has in place are unique in the Bangladesh context. The combination of understanding the localized macroeconomic fundamentals with the critical knowledge of the G-Sec market based upon our proven substantial strength in trading Fixed Income in general, allows the Asset Manager to position itself favourably for the investors in the Fund.



## CHAPTER 3: THE FUND



### 3.1 Formation of the Fund

The Trust Deed of the Fund was registered on 31 January 2021 under the Trust Act 1882 and Registration Act 1908. The Fund was registered by the BSEC on 24 February 2021 under the Securities and Exchange Commission (Mutual Fund) Rules 2001.

The RBIMCO BGFI Fund (The Fund) is an open ended special purpose fund that will operate under the regulatory supervision of the Bangladesh Securities and Exchange Commission (BSEC). The Fund may issue on a monthly basis and redeem Participations on a quarterly basis. There shall be no lock-in period for new investors. Participations are issued and redeemed in Bangladeshi Taka (BDT) only.

### 3.2 Life of the Fund

The Fund is open ended and intended to have an indefinite term. The Asset Manager may terminate the Fund at any time, subject to a notice of at least three months to the Participants and approval of the Commission. Both resident and non-resident individuals and institutions such as banks, non-banking financial institutions, insurance companies, corporate bodies, authorities responsible for the management of provident funds, pension funds etc. are eligible to invest in this Fund. Initial size of the Fund will be BDT 100,000,000.00 (Taka One Hundred Million) divided into 10,000,000 (Ten Million) units of BDT 10 (Taka Ten) only each. Size of the Fund will be increased from time to time by the Asset Manager subject to intimation to the Trustee and the BSEC.

### 3.3 Face Value and Denomination

Face value of each Unit will be BDT 10 (Taka Ten) only. Initially, Unit Holders of the Fund shall be issued with a Confirmation of Unit Allocation letter by the Asset Manager at the cost of the Fund in any denomination of BDT 1,000,000 (One million) divided into 100,000 (One hundred thousand) units or any of its multiple units but not less than 1,000,000 (One million) units for all subscriber.

### 3.4 Investment Objective

The objective of the Fund is to provide attractive risk adjusted and volatility adjusted returns to the Unit Holders by investing the proceeds primarily in the G-Sec market and in capital market instruments listed in Dhaka Stock Exchange (DSE). The Fund targets to generate average investment returns in a range of around 5% - 15% per annum. No guarantee is given nor can be given as to the Fund actually achieving this objective.

### 3.5 Investment Policies

- i. The Fund shall invest subject to the Securities and Exchange Commission (Mutual Fund) Rules 2001 and only in those securities, deposits and investments approved by the Bangladesh Securities and Exchange Commission (BSEC) and/or any other competent authority in this regard.
- ii. The portfolio of investment will not exceed 80% in the G-Sec market and 20% in other capital market instruments listed in DSE which may be extended up to 50% depending on the market condition.
- iii. All money collected under the Fund shall be invested only in Government Securities, the capital market instruments listed in Dhaka Stock Exchange (DSE) and other encashable/transferrable money market securities.
- iv. The Fund shall get the securities purchased or transferred in the name of the Fund.





Royal Bengal Investment Management Company

- v. Only the Asset Management Company will make the investment decisions and place orders for Government Securities to be purchased or sold for the Scheme's portfolio.
- vi. The Asset Management Company shall choose Primary Dealers for the purpose of purchase and subscription of Government securities for the Fund through auction.
- vii. Settlement of transaction shall take place through the settlement system for trading in Government securities, which is based on Delivery versus Payment (DvP), is a very simple, safe and efficient system of settlement.

### **3.6 Investment Restrictions**

- a) The portfolio of investment will not exceed 80% in the G-Sec market and 20% in other capital market instruments listed in DSE which may be extended up to 50% depending on the market condition.
- b) The Fund shall not invest in, or lend to, another Scheme under the same Asset Management Company.
- c) 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.
- d) The Fund or the Asset Manager on behalf of the Fund shall not give or guarantee term loans for any purpose or take up any activity in contravention of the Securities and Exchange Commission (Mutual Fund) Rules 2001.
- e) The Fund shall buy and sell securities on the basis of deliveries and shall, in all cases of purchases, take delivery of securities and in all cases of sale, deliver the securities on the respective settlement dates as per the custom and practice of the Bangladesh Bank and stock exchanges (DSE) and shall in no case put itself in a position whereby it has to make short sale or carry forward transaction.
- f) The Fund shall not involve in option trading or short selling or carry forward transaction, unless it becomes regulated by the authorities & accepted by BSEC.
- g) The Fund shall not buy its own unit.

### 3.7 Investment Approach and Risk Control

A top down approach may adopt the following investment approaches and risk control measures, namely :

- a) Investments will be pursued up to 80% in Government Securities and up to 20% in the capital market instruments listed in DSE, which may be extended upto 50% depending on the market condition.
- b) The Asset Management Company in selecting Government Securities will focus on the maturity of the Government Securities, the Yield and the Monetary and Fiscal policies of Bangladesh and its changes actual or impending in making such decisions.
- c) The Asset Management Company in selecting scripts will focus of the fundamentals of the business, the industry structure, the quality of management, sensitivity to economic factors, the financial strength of the company and key earnings drivers.
- d) In addition, the Asset Management Company will study the macro-economic conditions, including the political, economic environment and factors affecting liquidity and interest rates.
- e) Since disciplined investing requires risk management, the Asset Management Company would incorporate adequate safeguards for controlling risks in the portfolio construction process.
- f) Risk will also be reduced through adequate diversification of the portfolio. Diversification will be achieved by spreading the investments over different maturity of the Government Securities and the capital market instruments listed in DSE.

### 3.8 Valuation Policy

The Fund intends to determine its NAV per unit on the last business day each month by dividing the total value of the fund as determined by the Rule 60 and 61 of the বিধিমালা. Subject to approval of the Commission under Rule 58 of the বিধিমালা, Fund is to determine valuation policy for every scheme. Valuation criterion so far approved by the Commission in the Trust Deed is as follows:

- a. Government Securities will apply monthly auctions results, interpolation of yield curve and secondary market information to arrive at valuation levels in the portfolio of the Fund.
- b. For listed securities, the average quoted closing price on the stock exchanges on the date of valuation shall form basis of any calculation of Net Asset Value of such securities in the portfolio of the Fund.
- c. For securitized debts, debentures, margin or fixed deposits, held in the portfolio of the Fund, the accrued interest on such instruments on the date of valuation shall be taken into account for calculating the Net Asset Value (NAV) of the Fund.
- d. The Fund shall follow the method for valuation of the non-traded investments, if any, as approved by the Commission and the Asset Management Company and the Trustee shall review the non-listed investments, if any, at least annually and the auditors shall comment on such investments in the annual report of the Fund.
- e. The valuation of the listed securities not traded within previous one month will be made with their reasonable value which shall not be more than the intrinsic value and such valuation must be approved by the Trustee and commented upon by the Auditors in the Annual Report of the mutual fund.
- f. The valuation of non-listed securities will be made by the Asset Management Company with their reasonable value and approved by the Trustee and commented upon by the Auditors in the annual report of the Scheme.



- g. Once non-listed securities are valued, the valued amount will be considered for purpose of valuing the Fund's assets in any interval of time until the securities are further revalued by the Asset Management Company.
- h. The Asset Management Company and the Trustee will value the non-listed securities at least once in every three months.
- i. In case of deferred expenses, accrued expenses for the period will be taken into account for determining total liabilities.
- j. Net Asset Value (NAV) calculation:

The Fund will use the following formula to derive NAV per Unit:

Total NAV = VA – LT

NAV per Unit = Total NAV / Number of Units outstanding

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 proceeds of sale of investments + Dividend receivables net of tax + Interest receivables net of tax + Issue expenses after deducting amortization as on date + Printing, publication and stationery expenses after deducting amortization as on date;

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

### 3.9 Limitation of Expenses

All expenses of the Fund shall be subject to Rule 65 of the বিধিমালা. However, initial issue expenses in respect of the Fund shall not exceed 5 (five) percent of the collected amount of the Fund raised under the Scheme and will be amortized within 7 (seven) years on a straight-line method. The total expenses charged to the Fund, except the amortization of initial issue expenses and including transaction cost in the form of stock brokerage against buy and sale of securities forming a part of acquisition or disposal cost of such securities, but including transaction fees payable to the Custodian against acquisition or disposal of securities, CDBL charges, management fees payable to the AMC, Trustee fees, Custodian fees, the annual registration fees payable to the Commission, audit fees, cost of publication of reports and periodicals, bank charge and all other expenses related to the operation of the scheme shall not exceed 2.25% (including 1.5% management fee) of the weekly average net asset outstanding of the scheme during any accounting year, or as determined by the Commission from time to time.

### 3.10 Price Fixation Policy and Subscription & Redemption Procedure

After completion of initial subscription, the Fund will be opened to the investors for regular buy/subscription of units monthly. Investors can subscribe fund on the Subscription Date. The Asset Manager with due intimation to the Trustee and the Commission will seek monthly subscription. The Asset Manager shall calculate the Net Asset Value (NAV) per unit on the last Business Day of every month as per formula prescribed in the Rule and shall disclose subscription price and redemption price per unit determined on the basis of NAV before commencement of business operation of the first Business Day of the following week to the Trustee, Commission and investors. The communication to the investors shall be made through at least one national daily, the website of the Asset Management Company.

The difference between subscription price and redemption price shall vary as the subscription and redemption dates will not match. Both Subscription and redemption values are directly a function of NAV less expenses at the point in time.

Subject to this paragraph, the Unit Holders may redeem their Unit Certificates during the business hour on any Business Day as specified by the Asset Management Company. The Fund shall be liable to redeem the units at the redemption value determined by the Asset Management Company. Subscription and redemption procedure is given below:

- i. The Units of the Fund may be subscribed monthly and redeemed quarterly through the Asset Management Company and any other procedure as prescribed by the Asset Manager. Redemption of units is allowed only through Asset Management Company.
- ii. During initial subscription, minimum subscription amount for all investors is BDT 10,000,000.00 (Taka Ten Million) in face value only in 1,000,000.00 (One Million) units of BDT 10.00 (Taka Ten) only in each Unit.
- iii. Application for subscription of Units should be accompanied by an account payee cheque/pay order/bank draft in favour of "RBIMCO BGFI Fund" for the total value of Units. After clearance/encashment of cheque/draft/pay order, the applicant will be issued with a Confirmation of Unit Allocation against every subscription of Unit applicant applies for.
- iv. Applicant may make payment for subscription of Units in the bank account of the RBIMCO BGFI FUND through wire transfer or any other mode of electronic fund transfer available in the banking industry of Bangladesh. In such case applicant will be issued with a Confirmation of Unit Allocation against every purchase of Units the applicant applies for after receipt of confirmation of crediting the fund in the bank account of the Fund by the Banker to the Fund i.e. BRAC Bank Limited.
- v. The additional subscription will be minimum of BDT 1,000,000 (Taka One Million) in face value only being comprised of 100,000 (One Hundred Thousand) units or any amount of its multiples in face value for all investors. Upon additional subscription, the Unit holder will be issued with a new Confirmation of Unit Allocation representing the balance of his Unit holding.
- vi. Partial redemption (fraction of total units held under a Unit Allocation Confirmation) is allowed without any additional cost subject to minimum subscription quantity is BDT 10,000,000.00 (Taka Ten Million) only being maintained comprising of 1,000,000.00 (One Million) units for all investors. The partial redemption will be minimum BDT 1,000,000 (Taka One Million) in face value only being comprised of 100,000 (One Hundred Thousand) units or any amount of its multiples in face value for all investors. Upon partial redemption, the Unit holder will be issued with a new Confirmation of Unit Allocation representing the balance of his Unit holding.
- vii. All payments/receipts in connection with or arising out of transactions in the Units shall be in Bangladeshi Taka.



## 3.11 Winding up Policy

### 3.11.1 Procedure of Winding Up

- (i) If the total number of unrecoverable Units held by the Unit Holders is less than 25% of the total Unit at any point in time after redemption of Unit of the Fund, the Fund may be wound up.
- (ii) The Fund may be wound up on the happening of any event, which, in the opinion of the Trustee with approval from the Commission, requires the Scheme to be wound up.
- (iii) The Scheme may also be wound up if the Commission so directs in the interest of the Unit holders.
- (iv) Where a Scheme is to be wound up in pursuance to the above, the Trustee and the Asset Management Company shall give simultaneously separate notice of the circumstances leading to the winding up of the Scheme to the Commission and if winding up is approved by the Commission, shall publish in two national daily newspapers including a Bangla newspaper having circulation all over Bangladesh.

### 3.11.2 Manner of Winding Up

- (i) The Trustee shall call a meeting within 30 (thirty) days from the notice date of the Unit Holders of a Scheme to consider and pass necessary resolutions by three-fourth majority of the Unit Holders present and voting at the meeting for authorizing the Trustee to take steps for winding up of the Scheme. If it fails to have three fourth majority mandate, the Commission shall have the power to supersede the mandate if situation demands such,
- (ii) The Trustee shall dispose of the assets of the Scheme of the Fund in the best interest of the Unit Holders; provided that the proceeds of sale made in pursuance of the Rules shall all in the first instance be utilized towards discharge of such liabilities as are properly due under the Scheme and after making appropriate provision for meeting the expenses connected with such winding up, the balance shall be paid to the Unit Holders in proportion to their respective interest in the assets of the Scheme as on the date when the decision for winding up was taken.
- (iii) 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 Scheme 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 Scheme of the Fund.

### 3.11.3 Effect of Winding Up

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

- (i) cease to carry on any business activities of the open-ended Fund;
- (ii) cease to create and cancel Units of the open-ended Fund;
- (iii) cease to issue and redeem Units of the open-ended Fund.

### 3.12 Fund Management

RBIMCO shall conduct the day-to-day management of the Fund's portfolio as the Asset Manager subject to the provisions laid down in the বিধিমালা and the Trust Deed or any general directions given by the Trustee and/or the Commission from time to time. However, Asset Manager shall have discretionary authority over the Fund's portfolio about investment decisions.

### 3.13 Dividend Policy

- (i) The accounting year of the Fund shall be 1st July to 30th June;
- (ii) Subject to the Rules and consent of the Trustee, the Fund Manager shall declare dividend of the Fund out of the annual net profit, payable annually of the Fund after finalization of the audited annual accounts. Dividend so declared shall not be less than 50% of the annual net profit of the Fund or such other amount as determined by the Commission. Net profit will exclude mark to market gains that are unrealized;
- (iii) Dividend will be paid in cash and the Unit Holders will have the choice or instruct the Asset Manager to invest the dividend in the Fund on their behalf. However, the unit holder will must inform the asset manager within 30 days from the date of declaration of dividend;
- (iv) Before declaration of dividend, the Asset Management Company shall make a provision in consultation with the Auditors if market value of investments goes below the acquisition cost and the method of calculation of this provision will be incorporated in notes of accounts;
- (v) Fund will maintainan appropriate cash balance to satisfy any quarterly demand from partial redemption by the investor;
- (vi) Before registration for transfer of ownership, a transferee shall not possess the right to any dividend declared;
- (vii) Fund shall distribute the dividend amongst the Unit Holders of the scheme of the Fund within 45 days of declaration of the dividend and the Fund Manager shall submit a report to the Commission and the Trustee within 7 days of distribution of the Dividend.

## CHAPTER 4: RISK FACTOR

Investing in the Fund involves 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 mark to market 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 assurance can be given that investors will receive the amount originally invested. There is no assurance that the Fund will be able to meet its investment objective and investors could potentially incur losses, including loss of principal on a mark to market and transaction basis when investing in the Fund. Investors should study this Prospectus carefully before investing.

Performance of the Fund is substantially dependent on the macro economic situation and capital market as well as money market of Bangladesh. Political and social instability may have an adverse effect on the value of the Fund's assets. Adverse natural calamities may impact the performance of the Fund.

The Bangladesh capital market is volatile and mutual fund prices and prices of securities can fluctuate significantly. The Fund may lose its value or incur a sizable loss on its investments due to such market volatility. BGFI securities market trends indicate that prices of these listed securities move in unpredictable direction which may affect the value of the Fund.

Since the Fund will be an actively managed investment portfolio, the Fund is subject to management strategy risk. Although the Asset Manager will apply its investment process and risk minimization techniques when making investment decisions for the Fund, there can be no guarantee that such process and techniques will produce the desired outcome. The Fund is suitable for investment by investors who understand the risks involved and who are willing and able to survive the loss of their investments. In particular, prospective investors should consider the following risks:

### 4.1 General Risk

There is no assurance that the Fund will be able to meet its investment objectives and investors could potentially incur losses, including loss of mark to market principal when investing in the Fund. Investment in the Fund is not guaranteed by any government agency, the Sponsor or the AMC, 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 of the Fund may go up or down depending on the various factors and forces affecting the capital markets. Past performance of the Sponsors and their affiliates and the AMC do not indicate the future performance of the Fund. Investors should study this offer document carefully in its entirety before investing.

### 4.2 Government Policy Risk Factor

Performance of the Fund is substantially dependent on the macroeconomic situation and in the capital market of Bangladesh. Political and social instability may have an adverse effect on the value of the Fund's assets. Adverse natural climatic condition may impact the performance of the Fund. In particular the Govt.'s fiscal policy and the Bangladesh Bank's monetary policy will directly affect the yields of BGFI Securities.

### **4.3 Market Risk**

Bangladesh G-Sec market is volatile and prices of other listed securities can fluctuate significantly. The Fund may lose its value or incur a sizable loss on its investments due to such market volatility. G-sec individual securities have variable volatility depending on individual duration of the security. Furthermore, there is no guarantee that the market prices of the units of the Fund will fully reflect their underlying Net Asset Values.

### **4.4 Underlying Liquidity Risk**

Investment allocation may have an impact on the ability to sell securities during periods of market volatility. Government Securities lack a well-developed secondary market, which may restrict the selling ability of the Fund, and may lead to the Fund incurring losses till the security is finally sold. All G-Sec are traded on the over the counter platforms. However, G-Sec have over 60 counterparties and liquidity is therefore better than many listed equity securities, corporate bonds and FDR.

### **4.5 Investment Strategy Risk**

Since the Fund will be an actively managed portfolio, the Fund is subject to management strategy risk. Although the AMC will apply its investment process and risk minimization techniques, when making investment decisions for the Fund, there can be no guarantee that such process and techniques will produce the desired outcome.

### **4.6 Credit Risk**

G-sec are NOT subject to dividend or coupon risk, they do not possess any credit risk. These risks exist in all other types of securities but not in the G-Sec.

### **4.7 Interest Rate Risk**

The Net Asset Value (NAV) of the Fund is expected to increase consequent upon a fall in market interest rate while it is supposed to fall with a rise in the market interest rate to the extent it is invested in Government Securities.





## CHAPTER 5: FORMATION, MANAGEMENT AND ADMINISTRATION

### 5.1 Sponsor

The Fund is sponsored by Royal Bengal Investment Management Company Ltd. (RBIMCO Ltd.). RBIMCO is a limited liability company incorporated under the laws of Bangladesh, with its registered office in Dhaka. RBIMCO Ltd. has been approved by the Bangladesh Securities and Exchange Commission (BSEC) to manage assets in Bangladesh on a discretionary basis. RBIMCO Ltd. has fully approved Asset Management Company (AMC) licence which already placed under the regulatory supervision of BSEC. The management board of RBIMCO Ltd. consists of Maruf H. Khan Noorpuri, who is also the company’s controlling shareholder, and Chief Executive Officer.

### 5.2 Trustee of the Fund

Bangladesh General Insurance Company Limited.

### 5.3 Custodian

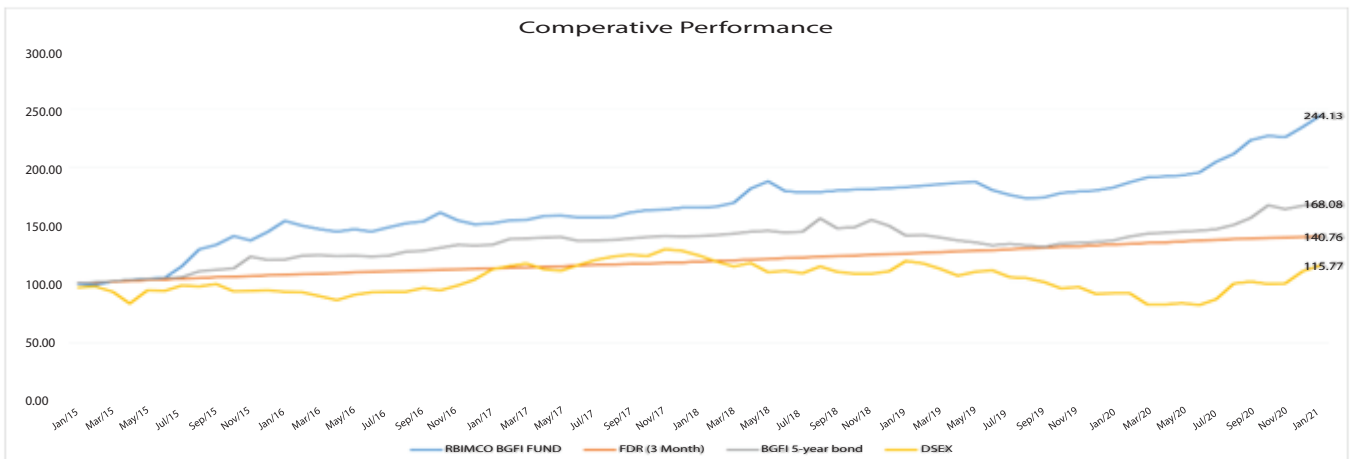
BRAC Bank Ltd.

### 5.4 The Asset Manager

Royal Bengal Investment Management Company Ltd.

Main focus of RBIMCO Ltd. is on Bangladesh Government bonds of varying maturities from 3 month T bills to 20 year bonds as well as opportunistic investment in the corporate fixed income market. Over the past 6 years, RBIMCO has been maintaining its own portfolio and the comparative performance of RBIMCO portfolio and other investment tools are stated below:

**Comparative Performance of RBIMCO Ltd. & Cumulative NAV  
Feb 2015 – Jan 2021**



	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	YTD-2021	Avg. Annual Ret %	Std. Deviation
<b>RBIMCO LTD. Portfolio*</b>	145.3	151.06	165.65	182.25	179.9	234.42	244.13	15.80%	2.87%
<b>FDR (3 Months)</b>	106.69	112.34	117.82	124.71	132.24	139.32	139.86	5.67%	0.07%
<b>BGFI (5 years)</b>	119.57	132.12	139.4	148.73	134.98	165.63	166.79	8.77%	2.33%
<b>DSEX</b>	97.43	106.7	132.5	113.85	94.09	114	119.22	2.93%	13.26%**

Note:

\* Inception at Feb 2015

\*\* Daily Standard Deviation (Annualised)

## 5.5 Management Team

The investment team includes individuals with a proven investment track record and are well known business leaders in Bangladesh and overseas.

Maruf H. Khan Noorpuri graduated from the London School of Economics. He has 38 years' experience in global capital markets and commodity trading. He is CEO of Royal Bengal Investment Management Company Ltd. (RBIMCO Ltd.). Mr. Khan is also CEO of TIMCO NV which manages a Bangladesh Fixed Income fund for international investors and of Macro Investment Trading, a hedge fund focused on trading global macro markets with a proven track record of over 15% annually for past 10 years. In the period 2002 to 2007, he was the Managing Partner/ Principal for AIM in New York, trading in US Treasuries and the S&P 500, where his risk adjusted returns put his performance amongst the top three CTA's globally between 2004 and 2007. Previously he was Managing Director at Nomura International in New York, where he ran International Fixed Income. Prior to that, he worked at EF Hutton in government bond and commodity trading and at CFSB London in proprietary government bond trading. Mr Khan Noorpuri is also director of two Bangladesh based businesses; Noorpur Tea Holdings, a tea growing and packaging business and of MHK Enterprise (Real Estate), an established real estate company.

Kamran Idris Choudhury is a qualified chartered accountant and a Fellow Member of the Institute of Chartered Accountants in both England & Wales and Bangladesh. Mr Choudhury started at Touche Ross (now Deloitte) in London before moving to A Qasem & Co, a member firm of Ernst & Young based in Bangladesh. In his 25 years with the company, he led major Audit and MCS assignments with multinational, overseas and joint venture companies, financial institutions and international donor agencies. Clients included DFID, USAID, CARE and several foreign missions. He is currently board member of several notable institutions.

## 5.6 Investment Management

### 5.6.1 Investment Management Process

- a) Top Down Approach
  - Economic Analysis
    - Analyze domestic and global Macroeconomic Indicators
    - Forecast economic outlook of domestic and Global Economy
    - Review Monetary & Fiscal Policies and analyze their implication on macroeconomic condition
  - Yield curve analysis
- b) Supplementary Analysis
  - The Capital Market in general of Bangladesh is in an emerging phase and is not strongly efficient. Thus, the importance of the following supplementary and product specific analysis is very high. BGFI/G-sec is a complex product with several hundred separate issues outstanding. All with different coupons and maturities. They need specific analysis to ascertain which securities to buy, when to buy and when to adjust the portfolio through appropriate switching/selling of such securities.
  - Technical Analysis
  - Analyze the G-sec price and duration data to identify key arbitrage opportunities
- Quantitative Analysis
  - Build Time Series Econometric model to forecast the future price movement dynamics

### 5.6.2 Portfolio Management Policy:

1. Focus on the nature of the Fund and make decision which is suitable for the total portfolio.
2. Must consider the market impact for the Investment Decision. Both buying and selling decision must have a significant implication on the overall market dynamics.
3. Market manipulation and utilizing non-public insider information is strictly forbidden.
4. The ethical standard and level of confidentiality of the Investment Manager and its research team are very important for the investors of the fund and for the integrity of the capital market.

### 5.6.3 Auditors

Hoda Vasi Chowdhury & Co, one of the top audit firm in Bangladesh with substantial and proven experience in the country.

### 5.6.4 Fee Structure

The Fund will pay the fees of Asset Manager, the Trustee, the Custodian, The CDBL together with any other fees, commissions and expenses as may arise from time to time. The Fund will bear its own costs and expenses incurred/accrued in connection with its formation, promotion, registration, public offering together with certain other costs and expenses incurred in its operation, including without limitation expenses of legal and consulting service, auditing, other professional fees and expenses, brokerage, share/debenture registration expenses and fees due to the BSEC. The Fund shall also bear all the other incidental expenses including printing, publication and stationery relating to its smooth and fair operation. All fees are to be paid out of the Fund subject to Rule 65 of the বিধিমালা.

The initial issue expenses in respect of the Fund shall not exceed 5% of the collected amount of the Fund raised under the Scheme or any ceiling as determined by the AMC with the approval of the Commission and the Trustee and will be amortized within 5 (five) years on a straight-line method.

SI	Type of Expenses	Percentage of Total Target Fund	Total Taka	Sub Total/ Details	Description
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 (Approximate) as per BSEC Directive (no. SEC/CMRRCD/2009 -193/160) dated 28 May 2014
3	Legal & Compliance related expenses (Application, registration fees etc.)	0.375%	375,000	10,000	BSEC application fees
				200,000	BSEC registration fees (0.2% of initial fund size)
				15,000	CDBL fee (Distribution of 1 crore Units X BDT 10 X 0.00015 CDBL fee rate = BDT 15,000; CDBL documentation fee = BDT 2,500
				150,000	Trust deed registration related fee
4	Printing & publication	0.26%	260,000	100,000	Printing of prospectus
				160,000	Publication of abridged version of prospectus and IPO notification on daily newspaper
<b>Total</b>		<b>1.885%</b>	<b>1,885,000</b>		

\*The above costs are made in best estimates, which may vary in actual.

The Management Fee amounts to 1.5% of the total Net Asset Value per annum payable monthly on a pro rata basis.

The Trustee shall be paid fees for its service out of the Fund @ 0.15% of the Net Asset Value (NAV) of the Fund or BDT 2,00,000 (Taka two lac only) whichever is higher, on semi-annual in advance basis, during the life of the Fund or as may be agreed upon between the parties.

The fee for Custodian services will be 0.05% per annum on Asset Under Management (AUM) by the Fund to be calculated on monthly average. Besides this, the Fund will bear all other expenses viz (a) Any out of pocket expenses may be applicable to the Fund operation from time to time (b) local duties and fees like stamp duty on transactions, stamp duty on transfer deed (c) levies, brokerage, registrar's fees, local counsel/ representation, external auditors at the client's request, depository fees etc. However, the fee will not exceed a ceiling of BDT 5.00 lac in total in a calendar year. The fee for Custodian services will be realized semi-annually.

The Fund will have to pay Tk. 200,000 (Taka two lac) only to the BSEC as registration fee. In addition, the Fund will have to pay @0.10% of the Fund value or Tk. 50,000 (Taka Fifty Thousand), whichever is higher, as annual fee in terms of the বিধিমালা.

The audit fee will be Tk. 50,000 (Taka fifty thousand only) for the first accounting year and the Trustee will fix fees for subsequent years.

The fixed annual CDBL fee will be Tk. 20,000 (Taka twenty thousand only), plus applicable VAT (if any). Annual CDS connection fee will be Tk. 6,000 (Taka six thousand only), plus applicable VAT (if any). These fees may be amended from time to time by the Commission in future.

#### **5.6.5 Expenses and operating costs**

Expenses and operating expenses shall be borne by the Fund, including (but not limited to), costs relating to the acquisition and disposal of investments including BSEC and exchange fees, the fees and expenses of such attorneys, agents, lawyers, accountants or other advisers as the Manager may deem necessary or advisable in relation to the affairs of the Fund, costs relating to the administration of the Fund, tax compliance costs, the costs of meetings of Participants, auditors' fees, any taxes due by the Fund, interest, bank charges and litigation related expenses.

## CHAPTER 6: SIZE OF THE FUND AND RIGHTS OF UNIT HOLDERS

### 6.1 Initial Size of the Issue

The initial size of the Fund shall be BDT 100,000,000.00 (Taka One Hundred Million) only divided into 10,000,000 ( Taka Ten Million) Units of Tk.10.00 (Taka Ten) each which may be increased from time to time by the Asset Manager subject to due intimation to the Trustee and the Commission till liquidation of the Fund.

### 6.2 Sponsor's Subscription

BDT 10,000,000.00 (Taka Ten Million) only which is 10% of the initial size of the Fund. The Sponsor, Royal Bengal Investment Management Company Ltd., has already subscribed Tk. 10,000,000 (Taka ten million) only for 1,000,000 units of Tk. 10 each at par as per Rule 9 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.

### 6.3 Tax

The investment tax benefits of the Fund would always comply with country's tax laws. Currently it is subject to Income Tax Ordinance 1984. Provisions of the Income Tax Ordinance is subject to amendment by the Government every year through the Finance Act. As such the Sponsor, Asset Manager or the Trustee does not give any guarantee or undertaking that the provisions will remain same in the next financial year of Bangladesh. However, currently the following benefits are available:

- Dividend income of the individual investors will be tax free up to Tk. 25,000.00 (Taka Twenty Five Thousand) only, which is permitted as per Income Tax Ordinance 1984.
- Investment in the Fund will qualify for tax credit according to clause 10(1) of Schedule 6, Part B read with section 44(2) of the Income Tax Ordinance 1984.
- All capital gain and interest income within the Fund will be tax exempt.
- If the Unit Holder is a non-resident in Bangladesh said Unit Holder may get tax exemption subject to Double Taxation Avoidance Convention between the Government of Bangladesh and the Government of country of residence of the Unit Holder.

### 6.4 Rights of the Unit holders

- a) 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 the Rule. 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.
- b) Transfer of Units: Units of the Fund are transferable by way of inheritance/gift and/or by specific operation of law.
- c) Dividend: All the Unit Holders have equal but proportionate right in respect of dividend.
- d) Periodic Information: All the Unit Holders of the Fund shall have the right to receive the annual report and audited accounts of the Fund. Moreover, the Unit Holders shall be informed of the NAV of the Fund on monthly basis through the website of the Asset Manager and any other means as the Asset Manager may deem fit.

- e) Accounts and Information: The Fund's financial year will be closed on 30 June every year and the first year will end on 30 June, 2022. Annual report or major head of income and expenditure account and balance sheet in line with schedule VI of the Rule will be published within 45 (forty five) days from the closure of each accounting year. Furthermore, the NAV of the Fund, NAV per Unit, any suspension or alteration of the calculation of NAV of the Fund will be published by the Asset Manager according to the Rule.
- f) 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, and any suspension or alteration of the calculation of NAV of the Fund will be published/notified by the Asset Management Company.

## CHAPTER 7: Subscriptions & Redemptions

### 7.1 Subscription

Subscription shall be in registered form and will be issued either for BDT 10,000,000.00 (Taka Ten Million) only, after the launch of the Fund, at a price being the Net Asset Value. The Net Asset Value will be determined on the basis of the value of the Fund Estate as per the end of the Business Day prior to the relevant Subscription Day. Subscription will be issued monthly on each Subscription Day, being the first three (3) Business Days of a month. No subscription fee is charged.

The minimum initial subscription for an applicant is BDT 10,000,000.00 (Taka Ten Million) only or any other minimum as determined by the Asset Manager from time to time. The minimum additional subscription for existing subscribers is BDT 10,000,000.00 (Taka Ten Million) only and equal increments thereof. Subscriptions shall be subject to following terms and conditions:

- a) The Units of the Fund can be subscribed monthly redeemed quarterly through Asset Manager.
- b) 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), but not by a minor or person of unsound mind.
- c) Joint application by two persons is acceptable. In such cases, registration and issuance of Confirmation of Unit Allocation will be in favour 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 title to the Units will bestow upon the nominee mentioned in the application form.
- d) Minimum subscription amount for an investor is 1,000,000 Units of BDT 10 (Taka Ten) only each for a minimum total of BDT 10,000,000.00 (Taka Ten Million) only. There will be no difference for individual or institutional investors.
- e) Application for subscription of Units should be accompanied by an account payee cheque, payorder, bank draft in favor of 'RBIMCO BGFI FUND' for the total value of the Units.
- f) 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.
- g) Applicant may make payment of purchase price of the Unit in the bank account of the RBIMCO BGFI FUND through wire transfer or any other mode of electronic fund transfer available in the banking industry of Bangladesh. In such case applicant will be issued with a Confirmation of Unit Allocation against every purchase of Units he/she/the institutional investor applies for after receipt of confirmation of crediting the fund in the bank account of the Fund by the Banker to the Fund i.e. BRAC Bank Limited.
- h) 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.

- i) Dividend will be paid in cash and the Unit Holders will have the choice or instruct the Asset Manager to invest the dividend in the Fund on their behalf. However, the unit holder must inform the asset manager within 30 days from the date of declaration of dividend. Fund shall distribute the dividend amongst the Unit Holders of the scheme of the Fund within 45 days of declaration of the dividend and the Fund Manager shall submit a report to the Commission and the Trustee within 7 days of distribution of the Dividend. Dividend so declared shall not be less than 50% of the annual net profit of the Fund or such other amount as determined by the Commission. Net profit will exclude mark to market gains that are unrealized.
- j) All payments /receipts in connection with or arising out of transactions of the Units applied for shall be in Bangladeshi Taka.

## 7.2 Redemption

Redemption will be made at the end of 31 January, 30 April, 31 July and 31 October of a calendar year subject to prior written notice of 30 days. If the date of redemption is not a Business Day the Units may be redeemed on the next Business Day of the following month with NAV of last month. However, no redemption will be made during book closure period/ record date of the Fund. Redemption funds will be made available to redeeming investors during 1st week after each stated quarter ends, namely Feb', May, Aug', Nov'. Redemption will be at NAV less all pro rata fees. No Redemption fee is charged. A redemption request must be in writing and specify the number of Units or the amount, the name of the Unit Holders and any other information as requested by the Asset Manager.

The minimum value of Units which may be subject to a single redemption request will be BDT 10,000,000.00 (Taka Ten Million) only.

Partial redemption is allowed without any additional cost subject to minimum subscription quantity of BDT 10,000,000.00 (Taka Ten Million) only which is 1,000,000 Units of BDT 10 (Taka Ten) each. Partial redemptions will be minimum BDT 1,000,000 (Taka One Million) in face value being comprised of 100,000 (One hundred thousand) units or any amount of its multiples in face value for all investors. Upon partial redemption, the Unit Holder(s) will be issued with a new Confirmation of Unit Allocation representing the balance of his/her/their Unit holding.





# CHAPTER 8: Application Forms

Specimen copies of the following forms:

## RBIMCO BGFI FUND APPLICATION FORM TO SUBSCRIBE UNITS - INDIVIDUAL (Please Read Instructions Overleaf: Fill up the Form in Block Letters)

To \_\_\_\_\_ Subscription No.-----  
Chief Executive Officer  
Royal Bengal Investment Management Company Limited  
MHK Terminal,  
110 Kazi Nazrul Islam Avenue,  
Dhaka 1000, Bangladesh

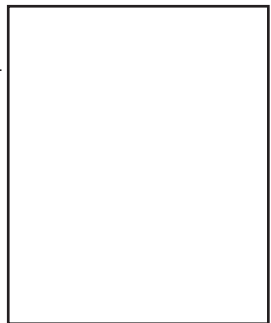
We enclose Taka \_\_\_\_\_ (Taka \_\_\_\_\_) vide Cheque /P.O./D.D.  
No: \_\_\_\_\_ Bank \_\_\_\_\_ Branch \_\_\_\_\_ dated  
\_\_\_\_\_ and request you to issue us \_\_\_\_\_ units of RBIMCO  
BGFI Fund, at the price of Tk \_\_\_\_\_ per unit subject to the terms  
and conditions set out overleaf of this form.

[We have credited Taka \_\_\_\_\_  
(Taka \_\_\_\_\_) vide BEFTN/RTGS/SWIFT in the  
account No. **1520204779586001** of RBIMCO BGFI FUND with Bank BRAC Bank Ltd. Branch New Eskaton  
dated \_\_\_\_\_ and request you to issue us \_\_\_\_\_ units of  
RBIMCO BGFI Fund, at the price of Tk \_\_\_\_\_ per unit subject to  
the terms and conditions set out overleaf of this form.]

We are giving necessary information as follows.

### A. Principal Applicant

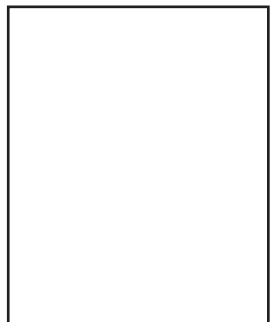
Registration No. (for existing unit holder only) \_\_\_\_\_  
Name: \_\_\_\_\_  
Father's/Husband's Name: \_\_\_\_\_  
Mother's Name: \_\_\_\_\_  
Date of Birth: \_\_\_\_\_ Occupation: \_\_\_\_\_  
Nationality: \_\_\_\_\_ National ID No: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone No: \_\_\_\_\_ BO A/C No: \_\_\_\_\_  
E-mail: \_\_\_\_\_ Bank \_\_\_\_\_  
Branch: \_\_\_\_\_ A/C No: \_\_\_\_\_  
Bank Routing No: \_\_\_\_\_ eTIN No: \_\_\_\_\_



### B. Joint Applicant

\_\_\_\_\_

This portion is to be used if the payment is made through electronic channel.

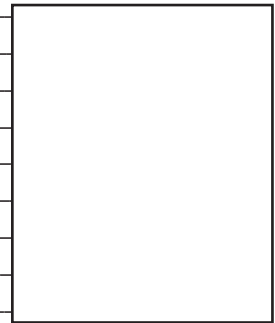




Registration No. (for existing unit holder only) \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Father's/Husband's Name: \_\_\_\_\_  
 Mother's Name: \_\_\_\_\_  
 Date of Birth: \_\_\_\_\_ Occupation: \_\_\_\_\_  
 Nationality: \_\_\_\_\_ National ID No: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Telephone No: \_\_\_\_\_ Fax No: \_\_\_\_\_  
 E-mail: \_\_\_\_\_

**C. Nominee**

Registration No. (for existing unit holder only) \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Father's/Husband's Name: \_\_\_\_\_  
 Mother's Name: \_\_\_\_\_  
 Date of Birth: \_\_\_\_\_ Occupation: \_\_\_\_\_  
 Nationality: \_\_\_\_\_ National ID No: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Telephone No: \_\_\_\_\_ Fax No: \_\_\_\_\_  
 E-mail: \_\_\_\_\_ Bank \_\_\_\_\_  
 Branch: \_\_\_\_\_ A/C No: \_\_\_\_\_  
 Bank Routing No: \_\_\_\_\_ eTIN No: \_\_\_\_\_



**Signature of Applicants**

\_\_\_\_\_  
**Principal Applicant**

\_\_\_\_\_  
**Joint Applicant**

Date of Application: \_\_\_\_\_



## TERMS AND CONDITIONS

1. The units of **RBIMCO BGFI FUND (FUND)**, may be subscribed/redeemed through Royal Bengal Investment Management Company Limited (**RBIMCO Ltd**). Redemption of units is allowed through **RBIMCO**.
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), but not by a minor or persons of unsound mind.
3. Joint application by two persons is acceptable. In such a case, registration and issuance of unit allocation confirmation will be in favour 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 title to the units will bestow upon the nominee in the application form.
4. Minimum subscription quantity for an investor is BDT 10,000,000.00 (Taka Ten Million) in 1,000,000 Units of BDT 10 (Taka Ten) each Unit.
5. Subscription can be made on any Subscription Date. Subscription Date is the first 3 (three) Business Days of any calendar month.
6. Application for subscription of Units should be accompanied by an account payee cheque/pay order/bank draft in favour of the Fund for the total value of units. After clearance/encashment of cheque/draft/pay order the applicant will be issued with a confirmation of unit allocation for every subscription with a denomination of number of units he/she/the Institutional investor applies for. Applicant may make payment of subscription price of the Unit in the bank account of the RBIMCO BGFI FUND through wire transfer or any other mode of electronic fund transfer available in the banking industry of Bangladesh. In such case applicant will be issued with a Confirmation of Unit Allocation against every subscription of Units he/she/the institutional investor applies for after receipt of confirmation of crediting the fund in the bank account of the Fund by the Bankers to the Fund.
7. Partial redemption is allowed without any additional cost subject to minimum subscription quantity of BDT 10,000,000.00 (Taka Ten Million) only which is 1,000,000 Units of BDT 10 (Taka Ten) each. Partial redemptions will be minimum BDT 1,000,000 (Taka One Million) in face value being comprised of 100,000 (One hundred thousand) units or any amount of its multiples in face value for all investors. Upon partial redemption, the Unit Holder will be issued with a 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 RBIMCO from time to time except in the case of transfer by way of inheritance.
9. Dividend will be paid in cash and the Unit Holders will have the choice or instruct the Asset Manager to invest the dividend in the Fund on their behalf.
10. All payments /receipts in connection with or arising out of transactions in the Units hereby applied for shall be in Bangladeshi Taka.

### FOR OFFICIAL USE ONLY

Registration No.: \_\_\_\_\_

Date: \_\_\_\_\_ Subscription No.:

No. of Units: \_\_\_\_\_ Unit Allocation Confirmation No.:

Sign and Seal of Issuing Office

I/we confirm that I/we have received the unit allocation confirmation mentioned above and also that I/we have read, understood and agreed to abide by the terms set out above as may be altered, replaced and modified from time to time by **RBIMCO BGFI Fund**.

Signature of the Applicant(s)



Royal Bengal Investment Management Company

**RBIMCO BGFI FUND**  
**APPLICATION FORM TO SUBSCRIBE/ PURCHASE UNITS - INSTITUTION**  
**(Please Read Instructions Overleaf: Fill up the Form in Block Letters)**

To  
Chief Executive Officer  
Royal Bengal Investment Management Company Limited  
MHK Terminal,  
110 Kazi Nazrul Islam Avenue,  
Dhaka 1000, Bangladesh

Subscription No.-----

We enclose Taka \_\_\_\_\_  
(Taka \_\_\_\_\_) vide Cheque /P.O./D.D.  
No: \_\_\_\_\_ Bank \_\_\_\_\_ Branch \_\_\_\_\_  
dated \_\_\_\_\_ and request you to issue  
us \_\_\_\_\_ units of RBIMCO BGFI Fund, at the price of Tk  
\_\_\_\_\_ per unit subject to the terms and  
conditions set out overleaf of this form.

[We have credited Taka \_\_\_\_\_  
(Taka \_\_\_\_\_) vide BEFTN/RTGS/SWIFT in the  
account No. **1520204779586001** of RBIMCO BGFI FUND with Bank BRAC Bank Ltd. Branch New Eskaton  
dated \_\_\_\_\_ and request you to issue us \_\_\_\_\_ units  
of RBIMCO BGFI Fund, at the price of Tk \_\_\_\_\_ per unit subject to the  
terms and conditions set out overleaf of this form.]

We are giving necessary information as follows.

Registration No. (for existing unit holder only) \_\_\_\_\_

Name of the Institution: \_\_\_\_\_

Type of the Institution: \_\_\_\_\_

Registration No. \_\_\_\_\_

Date of Incorporation/Establishment: \_\_\_\_\_

Address of the Registered Office: \_\_\_\_\_

Telephone No: \_\_\_\_\_ Fax No: \_\_\_\_\_

E-mail: \_\_\_\_\_

Address for Communication (if different from Registered Address): \_\_\_\_\_

Telephone No: \_\_\_\_\_ Fax No: \_\_\_\_\_

E-mail: \_\_\_\_\_

BO A/C No: \_\_\_\_\_

Bank \_\_\_\_\_ Branch \_\_\_\_\_

A/C No: \_\_\_\_\_

Bank Routing No: \_\_\_\_\_ eTIN No: \_\_\_\_\_

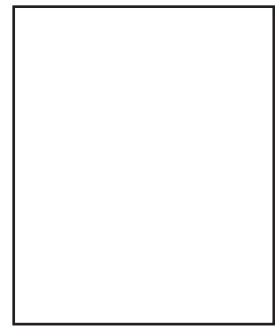
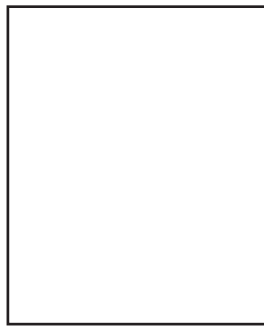
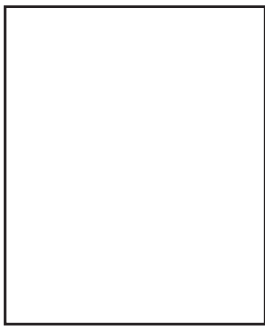
Name of the CEO/Managing Director: \_\_\_\_\_



Royal Bengal Investment Management Company

Detail of Authorised Person if any:

Sl.	Name	Designation	Signature
1.			_____
2.			_____
3.			_____



CEO/Managing Director

1st Authorised Person

2nd Authorised Person

Mode of Operation: \_\_\_\_\_

Documents enclosed (Please tick):

1. Incorporation Certificate
2. Trust Deed
3. Society Registration Certificate
4. Memorandum and Articles of Association
5. Trade Licence
6. TIN Certificate
7. Copy of Resolution of the Board of Directors/Executive Committee
8. Letter of authority issued in favor of authorized persons

**Signature of Applicants**

\_\_\_\_\_  
**Authorised Signature**

\_\_\_\_\_  
**Authorised Signature**

Date of Application: \_\_\_\_\_



## TERMS AND CONDITIONS

1. The units of **RBIMCO BGFI FUND (FUND)**, may be subscribed/redeemed through Royal Bengal Investment Management Company Limited (**RBIMCO**). Redemption of units is allowed through **RBIMCO**.
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), but not by a firm, minor or persons of unsound mind.
3. Joint application by two persons is acceptable. In such a case, registration and issuance of unit allocation confirmation will be in favour 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 title to the units will bestow upon the nominee in the application form.
4. Minimum subscription quantity for an investor is BDT 10,000,000.00 (Taka Ten Million) in 1,000,000 Units of BDT 10 (Taka Ten) each Unit.
5. Subscription can be made on any Subscription Date. Subscription Date is the first 3 (three) Business Days of any calendar month.
6. Application for subscription of Units should be accompanied by an account payee cheque/pay order/bank draft in favour of the Fund for the total value of units. After clearance/encashment of cheque/draft/pay order the applicant will be issued with a confirmation of unit allocation for every subscription with a denomination of number of units he/she/the Institutional investor applies for. Applicant may make payment of subscription price of the Unit in the bank account of the RBIMCO BGFI FUND through wire transfer or any other mode of electronic fund transfer available in the banking industry of Bangladesh. In such case applicant will be issued with a Confirmation of Unit Allocation against every subscription of Units he/she/the institutional investor applies for after receipt of confirmation of crediting the fund in the bank account of the Fund by the Bankers to the Fund.
7. Partial redemption is allowed without any additional cost subject to minimum subscription quantity of BDT 10,000,000.00 (Taka Ten Million) only which is 1,000,000 Units of BDT 10 (Taka Ten) each. Partial redemptions will be minimum BDT 1,000,000 (Taka One Million) in face value being comprised of 100,000 (One hundred thousand) units or any amount of its multiples in face value for all investors. Upon partial redemption, the Unit Holder will be issued with a 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 RBIMCO from time to time except in the case of transfer by way of inheritance.
9. Dividend will be paid in cash and the Unit Holders will have the choice or instruct the Asset Manager to invest the dividend in the Fund on their behalf.
10. All payments /receipts in connection with or arising out of transactions in the Units hereby applied for shall be in Bangladeshi Taka.

### FOR OFFICIAL USE ONLY

Registration No.: \_\_\_\_\_

Date: \_\_\_\_\_ Subscription No.:

No. of Units: \_\_\_\_\_ Unit Allocation Confirmation No.:

Sign and Seal of Issuing Office

I/we confirm that I/we have received the unit allocation confirmation mentioned above and also that I/we have read, understood and agreed to abide by the terms set out above as may be altered, replaced and modified from time to time by **RBIMCO BGFI Fund**.

Signature of the Applicant(s)



Royal Bengal Investment Management Company

**RBIMCO BGFI FUND  
REDEMPTION FORM-INDIVIDUAL**

**(Please Read Instructions Overleaf: Fill up the Form in Block Letters)**

To  
Chief Executive Officer  
Royal Bengal Investment Management Company Limited  
MHK Terminal,  
110 Kazi Nazrul Islam Avenue,  
Dhaka 1000, Bangladesh

Subscription No.-----

I/We \_\_\_\_\_  
having the registration No. \_\_\_\_\_ is/are the  
holder(s) of \_\_\_\_\_ units of RBIMCO BGFI Fund. I/We would like to redeem  
\_\_\_\_\_ units at the redemption price of Taka \_\_\_\_\_ per unit as  
declared by you on \_\_\_\_\_. I/We agree that my/our redemption request is  
subject to the terms and conditions set out overleaf of this form. My/Our redemption request is  
summarised below:

Sl No.	Unit Allocation Confirmation No.	Unit held under this allocation No.	To be Redeemed		
			No. of Units	Redemption Price Tk/Unit	Total Redemption Value Tk.
Total					

I/We attach herewith the above mentioned unit allocation confirmation(s). Please issue an account payee cheque in favour of me/us for total redeem amount and issue a unit allocation for balance units, if an, at your earliest convenience. Please credit the amount in my/our account No. \_\_\_\_\_ with \_\_\_\_\_ Bank Limited \_\_\_\_\_ Branch having routing No. \_\_\_\_\_.

**Signature of the Unit Holder(s)**

\_\_\_\_\_  
**Principal Unit Holder**

\_\_\_\_\_  
**Joint Unit Holder**

Date of Application: \_\_\_\_\_

Witness:

Signature \_\_\_\_\_ Signature \_\_\_\_\_

Name \_\_\_\_\_ Name \_\_\_\_\_

Title \_\_\_\_\_ Title \_\_\_\_\_

Address \_\_\_\_\_ Address \_\_\_\_\_



## TERMS AND CONDITIONS

1. The units of **RBIMCO BGFI FUND (FUND)**, may be Subscribed/ redeemed through Royal Bengal Investment Management Company Limited (**RBIMCO**). Redemption of units is allowed through **RBIMCO**.
2. Redemption can be made at the end of 31 January, 30 April, 31 July and 31 October of a calendar year subject to prior written notice of 30 days. If the date of redemption is not a Business Day the Units may be redeemed on the next Business Day of the following months with NAV of last month. However, no redemption will be made during book closure period / record date of the Fund. Redemption funds will be made available to redeeming investors during 1st week after each stated quarter ends, namely Feb', May, Aug', Nov'. Redemption will be at NAV less all pro rata fees.
3. Minimum redemption quantity is BDT 10,000,000.00 (Taka Ten Million) in 1,000,000 Units of BDT 10 (Taka Ten) each for all investors.
4. Partial redemption is allowed without any additional cost subject to minimum subscription quantity of BDT 10,000,000.00 (Taka Ten Million) only which is 1,000,000 Units of BDT 10 (Taka Ten) each. Partial redemptions will be minimum BDT 1,000,000 (Taka One Million) in face value being comprised of 100,000 (One hundred thousand) units or any amount of its multiples in face value for all investors. Upon partial redemption, the Unit Holder will be issued with a confirmation of allocation representing the balance of his unit holding.
5. Unit holder is required to attach the unit allocation confirmation he/she/the institution wants to redeem along with redemption form.
6. After verification of authenticity of certificate(s), the redemption amount will be paid in favour of unit holder by issuing account payee cheque or crediting the amount in the bank account of the unit holder mentioned in the redemption form through electronic fund transfer available in the banking system of Bangladesh within maximum of seven working days. In case of joint holding, account payee cheque will be issued in favour of principal holder.

### FOR OFFICIAL USE ONLY

#### If the payment is made through account payee cheque:

Date of issuance of cheque \_\_\_\_\_  
Cheque No. \_\_\_\_\_ Amount in Taka \_\_\_\_\_  
(Taka \_\_\_\_\_) in favour of \_\_\_\_\_  
for balance unit, if any.

Date of Unit Allocation Confirmation \_\_\_\_\_ Subscription No. \_\_\_\_\_  
Number of Units \_\_\_\_\_ Unit Allocation Confirmation No. \_\_\_\_\_

#### If the payment is made through electronic fund transfer:

Date of payment \_\_\_\_\_  
Account No. of the Unit Holder \_\_\_\_\_ Amount in Taka \_\_\_\_\_  
(Taka \_\_\_\_\_) in  
favour of \_\_\_\_\_ for balance unit, if any.

Date of Unit Allocation Confirmation \_\_\_\_\_ Subscription No. \_\_\_\_\_  
Number of Units \_\_\_\_\_ Unit Allocation Confirmation No. \_\_\_\_\_

Sign and Seal of Issuing Office





Royal Bengal Investment Management Company

**RBIMCO BGFI FUND  
REDEMPTION FORM-INSTITUTION**

**(Please Read Instructions Overleaf: Fill up the Form in Block Letters)**

To  
Chief Executive Officer  
Royal Bengal Investment Management Company Limited  
MHK Terminal,  
110 Kazi Nazrul Islam Avenue,  
Dhaka 1000, Bangladesh

Subscription No.-----

I/We \_\_\_\_\_  
\_\_\_\_\_ having the registration No. \_\_\_\_\_ is/are  
the holder(s) of \_\_\_\_\_ units of RBIMCO BGFI Fund. I/We would like to redeem  
\_\_\_\_\_ units at the redemption price of Taka \_\_\_\_\_ per unit as  
declared by you on \_\_\_\_\_. I/We agree that my/our redemption request is  
subject to the terms and conditions set out overleaf of this form. My/Our redemption request is  
summarised below:

Sl No.	Unit Allocation Confirmation No.	Unit held under this allocation No.	To be Redeemed		
			No. of Units	Redemption Price Tk/Unit	Total Redemption Value Tk.
Total					

I/We attach herewith the above mentioned unit allocation confirmation(s). Please issue an account payee cheque in favour of me/us for total redemption amount and issue a unit allocation for balance units, if an, at your earliest convenience. Please credit the amount in my/our account No. \_\_\_\_\_ with \_\_\_\_\_ Bank Limited \_\_\_\_\_ Branch having routing No. \_\_\_\_\_.

**Documents Enclosed:**

1. Copy of Resolution of the Board of Directors/Executive Committee.

**Signature of the Unit Holder(s)**

\_\_\_\_\_  
**Principal Unit Holder**

\_\_\_\_\_  
**Joint Unit Holder**

Date of Application: \_\_\_\_\_

Witness:

Signature \_\_\_\_\_ Signature \_\_\_\_\_

Name \_\_\_\_\_ Name \_\_\_\_\_

Title \_\_\_\_\_ Title \_\_\_\_\_

Address \_\_\_\_\_ Address \_\_\_\_\_



### TERMS AND CONDITIONS

1. The units of **RBIMCO BGFI FUND (FUND)**, may be Subscribed/ redeemed through Royal Bengal Investment Management Company Limited (**RBIMCO**). Redemption of units is allowed through **RBIMCO**.
2. Redemption can be made at the end of 31 January, 30 April, 31 July and 31 October of a calendar year subject to prior written notice of 30 days. If the date of redemption is not a Business Day the Units may be redeemed on the next Business Day of the following months with NAV of last month. However, no redemption will be made during book closure period / record date of the Fund. Redemption funds will be made available to redeeming investors during 1st week after each stated quarter ends, namely Feb', May, Aug', Nov'. Redemption will be at NAV less all pro rata fees.
3. Minimum redemption quantity is BDT 10,000,000.00 (Taka Ten Million) in 1,000,000 Units of BDT 10 (Taka Ten) each for all investors.
4. Partial redemption is allowed without any additional cost subject to minimum subscription quantity of BDT 10,000,000.00 (Taka Ten Million) only which is 1,000,000 Units of BDT 10 (Taka Ten) each. Partial redemptions will be minimum BDT 1,000,000 (Taka One Million) in face value being comprised of 100,000 (One hundred thousand) units or any amount of its multiples in face value for all investors. Upon partial redemption, the Unit Holder will be issued with a confirmation of allocation representing the balance of his unit holding.
5. Unit holder is required to attach the unit allocation confirmation he/she/the institution wants to redemption along with redemption form.
6. After verification of authenticity of certificate(s), the redemption amount will be paid in favour of unit holder by issuing account payee cheque or crediting the amount in the bank account of the unit holder mentioned in the redemption form through electronic fund transfer available in the banking system of Bangladesh within maximum of seven working days. In case of joint holding, account payee cheque will be issued in favour of principal holder.

### FOR OFFICIAL USE ONLY

#### If the payment is made through account payee cheque:

Date of issuance of cheque \_\_\_\_\_  
 Cheque No. \_\_\_\_\_ Amount in Taka \_\_\_\_\_  
 (Taka \_\_\_\_\_) in favour of \_\_\_\_\_  
 for balance unit, if any.

Date of Unit Allocation Confirmation \_\_\_\_\_ Subscription No. \_\_\_\_\_  
 Number of Units \_\_\_\_\_ Unit Allocation Confirmation No. \_\_\_\_\_

#### If the payment is made through electronic fund transfer:

Date of payment \_\_\_\_\_  
 Account No. of the Unit Holder \_\_\_\_\_ Amount in Taka \_\_\_\_\_  
 (Taka \_\_\_\_\_)  
 in favour of \_\_\_\_\_ for balance unit, if any.

Date of Unit Allocation Confirmation \_\_\_\_\_ Subscription No. \_\_\_\_\_  
 Number of Units \_\_\_\_\_ Unit Allocation Confirmation No. \_\_\_\_\_

Sign and Seal of Issuing Office



Royal Bengal Investment Management Company

**RBIMCO BGFI FUND  
TRANSFER FORM**

**(Please Read Instructions Overleaf: Fill up the Form in Block Letters)**

To  
Chief Executive Officer  
Royal Bengal Investment Management Company Limited  
MHK Terminal,  
110 Kazi Nazrul Islam Avenue,  
Dhaka 1000, Bangladesh

Transfer No.-----

I/We \_\_\_\_\_  
having the registration No. \_\_\_\_\_ is/are the holder(s) of \_\_\_\_\_  
units of RBIMCO BGFI Fund. I/We would like to transfer \_\_\_\_\_ units under unit  
allocation confirmation No. \_\_\_\_\_ to the following person(s).

**A. If transfer is made to individual:**

**(i) Principal Applicant**

Registration No. (for existing unit holder only) \_\_\_\_\_  
Name: \_\_\_\_\_  
Father's/Husband's Name: \_\_\_\_\_  
Mother's Name: \_\_\_\_\_  
Date of Birth: \_\_\_\_\_ Occupation: \_\_\_\_\_  
Nationality: \_\_\_\_\_ National ID No: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone No: \_\_\_\_\_ Fax No: \_\_\_\_\_  
E-mail: \_\_\_\_\_ Bank \_\_\_\_\_  
Branch: \_\_\_\_\_ A/C No: \_\_\_\_\_  
Bank Routing No: \_\_\_\_\_ eTIN No: \_\_\_\_\_

--

**(ii) Joint Applicant**

Registration No. (for existing unit holder only) \_\_\_\_\_  
Name: \_\_\_\_\_  
Father's/Husband's Name: \_\_\_\_\_  
Mother's Name: \_\_\_\_\_  
Date of Birth: \_\_\_\_\_ Occupation: \_\_\_\_\_  
Nationality: \_\_\_\_\_ National ID No: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone No: \_\_\_\_\_ Fax No: \_\_\_\_\_  
E-mail: \_\_\_\_\_

--

**(iii) Nominee**

Registration No. (for existing unit holder only) \_\_\_\_\_  
Name: \_\_\_\_\_  
Father's/Husband's Name: \_\_\_\_\_  
Mother's Name: \_\_\_\_\_  
Date of Birth: \_\_\_\_\_ Occupation: \_\_\_\_\_  
Nationality: \_\_\_\_\_ National ID No: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone No: \_\_\_\_\_ Fax No: \_\_\_\_\_  
E-mail: \_\_\_\_\_ Bank \_\_\_\_\_  
Branch: \_\_\_\_\_ A/C No: \_\_\_\_\_  
Bank Routing No: \_\_\_\_\_ eTIN No: \_\_\_\_\_

--



**B. If transfer is made to institutions:**

Registration No. (for existing unit holder only) \_\_\_\_\_

Name of the Institution: \_\_\_\_\_

Type of the Institution: \_\_\_\_\_

Registration No. \_\_\_\_\_

Date of Incorporation/Establishment: \_\_\_\_\_

Address of the Registered Office: \_\_\_\_\_

Telephone No: \_\_\_\_\_ Fax No: \_\_\_\_\_

E-mail: \_\_\_\_\_

Address for Communication (if different from Registered Address) Office: \_\_\_\_\_

Telephone No: \_\_\_\_\_ Fax No: \_\_\_\_\_

E-mail: \_\_\_\_\_

Bank \_\_\_\_\_ Branch \_\_\_\_\_

A/C No: \_\_\_\_\_

Bank Routing No: \_\_\_\_\_ eTIN No: \_\_\_\_\_

**Dividend option: Cash**  **CIP**

Name of the CEO/Managing Director: \_\_\_\_\_

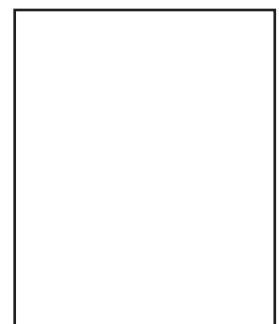
Sl.	Name	Designation	Signature
1.			_____
2.			_____
3.			_____



CEO/Managing Director



1st Authorised Person



2nd Authorised Person

Mode of Operation: \_\_\_\_\_



Royal Bengal Investment Management Company

Documents enclosed (Please tick):

1. Incorporation Certificate
2. Trust Deed
3. Society Registration Certificate
4. Memorandum and Articles of Association
5. TIN Certificate
6. Copy of Resolution of the Board of Directors/Executive Committee
7. Letter of authority issued in favor of authorized persons

Please tick in the appropriate Means of transfer:

Inheritance \_\_\_\_\_ Gift \_\_\_\_\_ Operation of law \_\_\_\_\_

**Signature of the Transferor**

\_\_\_\_\_  
**Principal Unit Holder**

\_\_\_\_\_  
**Joint Unit Holder**

**Signature of the Transferee**

\_\_\_\_\_  
**Principal Unit Holder**

\_\_\_\_\_  
**Joint Unit Holder**

Date of Application: \_\_\_\_\_

Witness:

Signature \_\_\_\_\_ Signature \_\_\_\_\_

Name \_\_\_\_\_ Name \_\_\_\_\_

Title \_\_\_\_\_ Title \_\_\_\_\_

Address \_\_\_\_\_ Address \_\_\_\_\_



## TERMS AND CONDITIONS

1. The units of **RBIMCO BGFI FUND (FUND)**, may be transferred by way of gift, inheritance or by operation of law, In case of transfer the Fund will charge a nominal fee as decided by Royal Bengal Investment Management Company Limited (**RBIMCO Ltd.**) from time to time except in the case of transfer by way of inheritance.
2. Transfer of units is allowed only through **RBIMCO**.
3. Units may be transferred within the business hours of all Business Days except last Business Day of the month and the book closure period of the Fund.
4. Minimum transfer quantity is 400,000 (Four hundred thousand) units for all investors. Upon partial transfer, the unit holder will be issued with a new unit allocation confirmation representing the balance of his/her unit holding.
5. Unit holder is required to attach the unit allocation confirmation he/she/the institution wants to transfer along with transfer form.
6. After verification of authenticity of unit allocation confirmation(s) as well as the information provided in transfer form RBIMCO will deliver the unit certificate to the Transferee with a period of seven Business Days.

## FOR OFFICIAL USE ONLY

### If the payment is made through account payee cheque:

Date of Transfer \_\_\_\_\_ Transfer No. \_\_\_\_\_  
Unit Allocation Confirmation No. \_\_\_\_\_ No. of Unit \_\_\_\_\_

Sign and Seal of Issuing Office

I/We being the Transferee have received the 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. I/We further declare that the information about me/us in the transfer form is provided my/us is correct and authenticate.

Date \_\_\_\_\_ Signature of the Transferee \_\_\_\_\_



Royal Bengal Investment Management Company

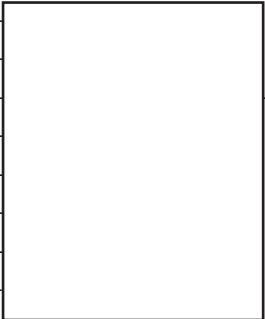
**RBIMCO BGFI FUND  
POWER OF ATTORNEY / PROXY FORM  
(Please Read Instructions Overleaf: Fill up the Form in Block Letters)**

To  
Chief Executive Officer  
Royal Bengal Investment Management Company Limited  
MHK Terminal,  
110 Kazi Nazrul Islam Avenue,  
Dhaka 1000, Bangladesh

Transfer No.-----

I/We \_\_\_\_\_  
having the registration No. \_\_\_\_\_ is/are the holder(s) of \_\_\_\_\_  
units of RBIMCO BGFI Fund. I/We would like to appoint the following person at my/our attorney:

Name: \_\_\_\_\_  
Father's/Husband's Name: \_\_\_\_\_  
Mother's Name: \_\_\_\_\_  
Date of Birth: \_\_\_\_\_ Occupation: \_\_\_\_\_  
Nationality: \_\_\_\_\_ National ID No: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone No: \_\_\_\_\_ Fax No: \_\_\_\_\_  
E-mail: \_\_\_\_\_  
Specimen Signature of the Attorney: \_\_\_\_\_



Declaration:

I declare that the particulars given by me/us are true to the best of my/our knowledge as on the date of the application.

**Signature**

\_\_\_\_\_  
**Principal Unit Holder**

\_\_\_\_\_  
**Joint Unit Holder**

Date of Application: \_\_\_\_\_

Witness:

Signature \_\_\_\_\_ Signature \_\_\_\_\_

Name \_\_\_\_\_ Name \_\_\_\_\_

Title \_\_\_\_\_ Title \_\_\_\_\_

Address \_\_\_\_\_ Address \_\_\_\_\_

**FOR OFFICIAL USE ONLY**

If the payment is made through account payee cheque:

Date of receipt of application \_\_\_\_\_

Sign and Seal of Issuing Office



**Royal Bengal Investment Management Company**