

GM Equity 1st Mutual Fund

(An Open-end Fund)



GM EQUITY LIMITED
Dream Unlimited
Sponsor and Asset Manager
GM Equity Limited



Trustee
Sandhani Life Insurance Company Ltd.



Custodian
BRAC Bank Ltd

Prospectus

PROSPECTUS
OF
GM EQUITY 1st MUTUAL FUND

Initial Size of the Issue	BDT 100,000,000 (Taka Ten Crore)
Total number of Units	10,000,000 (One Crore)
Initial / Opening Price	BDT 10 (Taka Ten) per Unit
Sponsor's Contribution	BDT 10,000,000 (Taka One Crore)
Public Subscription	BDT 90,000,000 (Taka Nine Crore)



Sponsor and Asset Manager
GM Equity Limited



Trustee
Sandhani Life Insurance Company Ltd.



Custodian
BRAC Bank Ltd



Auditor
A. Qasem & Co.



Banker
Southeast Bank Ltd

Subscription Open
September 21, 2021

Date of Publication of Prospectus
September 15, 2021 in Daily Ajkaler Khobor

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন।

The investors are advised, in their own interest, to carefully read the contents of the Prospectus, in particular the risk factors before making any investment decision.

Important Notice to the Investors of the Fund

This Offer Document sets forth concisely the information about the Fund that a prospective investor ought to know before investing. This Offer Document should be read before making an application for the Units and should be retained for future reference. Investing in the GM EQUITY 1st MUTUAL FUND (hereinafter the “Fund”) bears certain risks that investors should carefully consider before investing in the Fund. Investment in the capital market and in the Fund bears certain risks that are normally associated with making investments in securities including loss of principal amount invested. There can be no assurance that the Fund will achieve its investment objectives. The Fund value can be volatile, and no assurance can be given that investors will receive the amount originally invested. When investing in the Fund, investors should carefully consider the risk factors outlined in the document.

THE SPONSOR, ASSET MANAGEMENT COMPANY OR THE FUND IS NOT GUARANTEEING ANY RETURNS.

The particulars of the Fund have been prepared in accordance with সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, as amended till date and filed with Bangladesh Securities and Exchange Commission (“BSEC”). This Prospectus is available in the Asset Manager’s website at www.gmequity.com.bd.

Fund Directory

Sponsor and Asset Manager	GM Equity Limited Concord Baksh Tower; 11th Floor, Unit No. 11-B; Plot No. # 11/A, Road No. # 48, Block – CWN, Kamal Ataturk Avenue, Gulshan-2, Dhaka-1212, Bangladesh
Trustee	Sandhani Life Insurance Company Limited Sandhani Life Tower, Rajuk Plot No. 34, Bangla Motor, Dhaka-1000, Bangladesh
Custodian	BRAC Bank Limited Head Office, Anik Tower; 220/B, Gulshan Tejgaon Industrial Area; Tejgaon, Dhaka 1208
Auditor	A. Qasem & Co. Suits# 1-3, Level #7, Gulshan Pink City Shopping Mall, Plot #15, Road #103, Gulshan Ave, Dhaka 1212, Bangladesh
Banker	Southeast Bank Limited "OTOBI Center" (2nd Floor), Plot # 12, Block # CWS (C), Gulshan-1, Dhaka-1212, Bangladesh.
Selling Agent	Green Delta Securities Limited (GDSDL) Green Delta AIMS Tower (2nd Floor), 51-52 Mohakhali C/A, Dhaka-1213, Bangladesh.
Investor Relation Office	GM Equity Limited Concord Baksh Tower; 11th Floor, Unit No. 11-B; Plot No. # 11/A, Road No. # 48, Block – CWN, Kamal Ataturk Avenue, Gulshan-2, Dhaka-1212, Bangladesh

Please contact the Asset Management Company for any other information or queries:

GM Equity Limited

Office Address: Concord Baksh Tower; 11th Floor, Unit No. 11-B; Plot No. # 11/A, Road No. # 48, Block - CWN, Kamal Ataturk Avenue, Gulshan-2, Dhaka-1212, Bangladesh

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Definitions and Elaboration of Abbreviated Terms Used in the Prospectus:

Terms	Definition
Act	সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন আইন, ১৯৯৩
Allotment	Letter/Certificate of Allotment for Units
Application Form	A Form meant to be used by an investor to purchase units of the fund.
Asset Manager/Fund Manager/AMC	The Asset Management Company of the fund, i.e. GM Equity Limited.
BEFTN	Bangladesh Electronic Funds Transfer Network
BDT/Taka/Tk	Bangladeshi Taka.
BO A/C	Beneficiary Owner Account or Depository Account.
Book Closer	Sale and repurchase of unit issued by Asset Management Company shall remain closed during the month of July unless the Commission decides otherwise.
BSEC / Commission	Bangladesh Securities and Exchange Commission.
Business Day	A day not being: <ol style="list-style-type: none"> A weekend; A day on which purchase and repurchase of units is suspended or a book closure period / record date announced by the Trustee / AMC; A day on which normal business cannot be transacted due to unavoidable circumstances or such other events as the AMC may specify from time to time; A day on which Banks and Stock Exchanges are closed.
CDBL	Central Depository Bangladesh Limited.
CEO	The Chief Executive Officer of the Asset Management Company.
Cheque (MICR Code)	All payment instruments (Cheque/Pay Order/Other Cash Instrument) should be Magnetic Ink Character Recognition (MICR) coded as per the Bangladesh Bank Rules.
CIP	Cumulative Investment Plan.
Certificate	Unit certificate of the Fund.
Companies Act	কোম্পানী আইন ১৯৯৪
Confirmation of Unit Allocation	Letter / Certificate confirming allocation of units.
CSE	Chittagong Stock Exchange Limited.
Custodian	The Custodian of the fund, i.e. BRAC Bank Limited
DSE	Dhaka Stock Exchange Limited.
Effective Date	The date of registration of the Trust Deed of the fund.

EPS	Earnings Per Share
EPU	Earnings Per Unit
FC Account	Foreign Currency Account.
FI	Financial Institution.
FIS	Fixed Income Securities.
Government	The Government of the People's Republic of Bangladesh.
Guardian	The Trustee of the fund, i.e. Sandhani Life Insurance Company Limited
ICB	Investment Corporation of Bangladesh.
IDRA	Insurance Development and Regulatory Authority of Bangladesh.
Investor's Buy Price	The price at which Units of the Fund are purchased by the Investor
IPO	Initial Public Offering.
Issue	Public Issue.
NBFI	Non-Banking Financial Institution.
NBR	National Board of Revenue.
Net Assets	The excess of assets over liabilities of the fund, computed in the manner specified hereunder.
Net Asset Value (NAV)	Net Asset Value of the fund.
NRB	Non-Resident Bangladeshi (NRB) means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they have a valid Bangladeshi passport) or those, whose foreign passport bear a stamp from the concerned Bangladesh Embassy/High Commission to the effect that no visa is required to travel to Bangladesh.
Offer Document	Prospectus of the Fund
Offering Price	Price of the Securities of the fund being offered.
Ongoing Offer Period	Offer of units of the fund after the closure of the initial offer period.
Rules / বিধিমালা	সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.
Prospectus	The advertisements or other documents (approved by the BSEC), which contain the investment and all other information in respect of the Mutual Fund, as required by the বিধিমালা and is circulated to invite the public to invest in the Mutual Fund.
Reinvestment	Distribution of profit by issuing units as per most recent NAV of the fund.
Repurchase	Repurchase of units by the fund from a Unit Holder.

Repurchase Price	The price at which units can be redeemed / repurchased and calculated in the manner provided in this offer document prescribed by the Rules and its amendment.
RJSC	Registrar of Joint Stock Companies and Firms.
Sales Agent or Selling Agent or Point of Sales	AMC designated official points for accepting transaction / service requests from investors.
Sale Price or Sales Price	Investor's Buy Price.
Securities	Units of the fund.
Sponsor	The Sponsor of the fund, i.e. GM Equity Limited
STD A/C	Short Term Deposit Account.
Subscription	Application Money.
SIP	Systematic Investment Plan.
The Fund	GM EQUITY 1st MUTUAL FUND.
The Scheme	GM EQUITY 1st MUTUAL FUND.
Trustee	The Trustee of the fund i.e. Sandhani Life Insurance Company Limited
Unit	One undivided share of the fund.

Interpretation

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

- singular term in this Prospectus includes the plural and plural term includes the singular;
- pronoun having a masculine or feminine gender shall be deemed to include the other; and
- 'Crore' means 'Ten Million' and 'lac/lakh' means 'Hundred Thousand'

Fund Highlights

Features	Description
Name of the Fund	GM EQUITY 1st MUTUAL FUND.
Type / Nature	Open-end mutual fund.
Life and Size of the Fund	Perpetual life and unlimited size.
Face Value	BDT 10.00 per unit.
Initial Size of the Fund	BDT 100,000,000 divided into 10,000,000 units at BDT 10 per unit.
Minimum Subscription	500 (five hundred) units for Individuals. 5,000 (five thousand) units for Institutions. (Not Applicable for SIP Investors)
Objective	The objective of the fund is to generate sustainable capital gain and provide regular dividend to the investors. The fund will accumulate profits by investing in capital market and money market instruments, ensuring prudent risk management practices.
Target Group of Investors	Individuals - both resident and non-resident; Institutions - both local and foreign institutions, mutual funds, collective investment schemes, trusts and other eligible investors are eligible to subscribe the units of the fund.
Dividend	At least 70% (Minimum seventy percent) of the realized profit of the fund will be distributed as dividend in Bangladeshi Taka only at the end of each accounting year.
Dividend Distribution	The dividend will be distributed within 45 days from the date of declaration.
Encashment	The unit holders can surrender their units during the business hours as specified by the Asset Management Company. The Asset Management Company shall be liable to Repurchase the units on behalf of the fund.
Tax Benefit	<ul style="list-style-type: none"> - Dividend Income will be tax free up to certain level, which is permitted as per clause 22A of Schedule (Part A) under Income Tax Ordinance 1984 - Investment in the Fund would qualify for investment tax rebate, as per section 44(2) (c) of Income Tax Ordinance (ITO) 1984, amended in 2016. - The income of the Fund is also exempted from income tax as per current regulation.
Transferability	The units of the fund shall be freely transferable by way of inheritance/gift and/or by specific operation of the law.
Systematic Investment Plan (SIP)	Systematic Investment plan (SIP) allows an investor to invest certain pre-determined amount at a regular interval, i.e. monthly, quarterly, yearly, etc. SIP is a planned approach towards investments and helps to inculcate the habit of saving and building wealth for the future. Investor can start SIP with a very small amount. i.e. minimum BDT 5,000 or multiple of BDT 1,000, if anyone wants to invest more than BDT 5,000.
Transparency / Reports & Financials	<p>Quarterly, Half-yearly, and Yearly financial statements of the fund shall be available on the website of the Asset Management Company (www.gmequity.com.bd).</p> <p>Moreover, quarterly portfolio statement and the prospectus of the fund is available in the website of AMC.</p> <p>Net Asset Value of the fund, Investor's Buy Price and Surrender Price will be disclosed on weekly basis and will be published on AMC website, notice board of the AMC and one national daily newspaper as per prescribed Rule.</p>

ফান্ড/ তহবিল এর সংক্ষিপ্ত বিবরণী

নাম	জিএম ইকুইটি ফান্ড মিউচুয়াল ফান্ড
ধরণ	বে-মেয়াদী মিউচুয়াল ফান্ড।
ফান্ডের প্রাথমিক আকার	টাকা ১০,০০,০০,০০০ (দশ কোটি) ১,০০,০০,০০০ (এক কোটি) ইউনিটে বিভক্ত যার প্রতিটির অভিহিত মূল্য ১০ টাকা।
মেয়াদ ও আকার	আজীবন মেয়াদী এবং সীমাহীন আকার।
অভিহিত মূল্য	প্রতি ইউনিটের মূল্য ১০ (দশ) টাকা।
নূন্যতম বিনিয়োগ	ব্যক্তি বিনিয়োগকারীগণের ক্ষেত্রে প্রতি আবেদনে ৫০০ ইউনিট প্রাতিষ্ঠানিক বিনিয়োগকারীগণের ক্ষেত্রে প্রতি আবেদনে ৫,০০০ ইউনিট (এসআইপি বা নিয়মিত বিনিয়োগ পরিকল্পনা বিনিয়োগকারীগণের প্রযোজ্য নয়।)
উদ্দেশ্য	এই তহবিলটির উদ্দেশ্য হচ্ছে বিনিয়োগকারীগণদেরকে একটি নির্দিষ্ট হারে মূলধনী মুনাফা এবং নিয়মিত লভ্যাংশ প্রদান করা। তহবিলটি পুঁজিবাজার এবং অর্থবাজার এর বিভিন্ন অনুমোদিত সিকিউরিটিজ এ ঝুঁকি সমন্বিত বিনিয়োগ করে মুনাফা আয় করবে।
সম্ভাব্য বিনিয়োগকারী	দেশে বসবাসকারী এবং প্রবাসী ব্যক্তি (এনআরবি), দেশী এবং বিদেশী প্রতিষ্ঠান, মিউচুয়াল ফান্ড এবং সমষ্টিগত তহবিলের স্কিমসমূহ এই তহবিলে বিনিয়োগ করতে পারবে।
লভ্যাংশ নীতি	প্রতিটি হিসাব বছরের শেষে তহবিলের বার্ষিক আয়ের নূন্যতম ৭০% (সত্তর শতাংশ) লভ্যাংশ হিসেবে বাংলাদেশি টাকায় বিতরণ করা হবে। লভ্যাংশ পরিশোধের ধারাবাহিকতা নিশ্চিত করার জন্য তহবিলটি একটি লভ্যাংশ সমতাকরণ সঞ্চিতি তৈরি করবে।
লভ্যাংশ বিতরণ	লভ্যাংশ ঘোষনার ৪৫ (পঁয়তাল্লিশ) দিনের মধ্যে ইউনিটহোল্ডারদের ডিভিডেন্ড ওয়ারেন্ট বা লভ্যাংশপত্র বিতরণ করা হবে।
নগদায়ন	ইউনিটহোল্ডারগণ তাদের ইউনিট সম্পদ ব্যবস্থাপকের মাধ্যমে অথবা সম্পদ ব্যবস্থাপকের নিয়োগপ্রাপ্ত বিক্রয় প্রতিনিধির মাধ্যমে তাদের ব্যবসায়িক সময়ে নগদায়ন করতে পারবেন। সম্পদ ব্যবস্থাপক ইউনিটহোল্ডারগণ ইউনিট নগদায়ন করতে সহযোগিতা করবে এবং এ বিষয়ে দায়ী থাকবে।
কর রেয়াত জনিত সুবিধা	- Income Tax Ordinance, 1984 অনুযায়ী মিউচুয়াল ফান্ড অথবা ইউনিট ফান্ড হতে অর্জিত আয়ের একটি নির্দিষ্ট সীমা পর্যন্ত করের আওতামুক্ত থাকবে। - Section 44 (2), Income Tax Ordinance, 1984 অনুযায়ী বিনিয়োগ কর সম্মানী (Investment Tax Credit) সুবিধা পাওয়া যাবে। - এই তহবিলের নিজস্ব আয় করমুক্ত থাকবে।
হস্তান্তরেরযোগ্যতা	উত্তরাধিকার/ উপহার অথবা আইন দ্বারা অনুমোদিত ভাবে এই ফান্ডের ইউনিটসমূহ হস্তান্তর করা যাবে।
এসআইপি (SIP) বা নিয়মিত বিনিয়োগ পরিকল্পনা	এসআইপি (SIP) বা নিয়মিত বিনিয়োগ পরিকল্পনা এর মাধ্যমে বিনিয়োগকারীরা নির্দিষ্ট সময় অন্তর (মাসিক, ত্রৈমাসিক, বাৎসরিক প্রভৃতি) পূর্বনির্ধারিত পরিমাণ অর্থ বিনিয়োগ করবেন। ভবিষ্যৎ এর জন্য সঞ্চয় ও সম্পদ গড়ার লক্ষ্যে এবং বিনিয়োগের জন্য, এটি একটি কার্যকরী বিনিয়োগ পরিকল্পনা। বিনিয়োগকারীরা নূন্যতম ৫,০০০ টাকা অথবা ১,০০০ টাকার গুণিতকের সমপরিমাণ অর্থ বিনিয়োগ করে এসআইপি শুরু করতে পারবেন।
প্রসপেক্টাস, বার্ষিক প্রতিবেদন এবং হিসাব সমূহ	প্রত্যেক বিনিয়োগকারী সম্পদ ব্যবস্থাপকের ওয়েবসাইট (www.gmequity.com.bd) থেকে এই তহবিলের ফান্ড প্রসপেক্টাস এবং ফান্ডের বার্ষিক, অর্ধবার্ষিক ও ত্রৈমাসিক আর্থিক হিসাব দেখতে পারবেন। এছাড়া ইউনিটহোল্ডারগণ সম্পদ ব্যবস্থাপকের ওয়েবসাইটে পোর্টফোলিওর প্রান্তিক প্রতিবেদনও পাবেন। তহবিলের নিট সম্পদ মূল্য, বিনিয়োগকারীর ক্রয় এবং বিক্রয় মূল্য প্রতি সপ্তাহে সম্পদ ব্যবস্থাপকের ওয়েবসাইট, একটি দৈনিক পত্রিকা এবং সম্পদ ব্যবস্থাপকের কার্যালয় থেকে প্রকাশ করা হবে।

Chapter 1. PRELIMINARY

1.1. Publication of Prospectus for Public Offering

GM Equity Limited (hereafter referred to as 'GM Equity' or 'GMEL') has received Registration Certificate from the Bangladesh Securities & Exchange Commission (BSEC) under সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন আইন, ১৯৯৩ and the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, made thereunder and also received consent for issuing Prospectus of public offering on June 20, 2021. GM EQUITY 1st MUTUAL FUND has been established as a Trust under the Trust Act, 1882 by GM Equity Limited and registered with the Sub-Registrars Office under the Registration Act, 1908, on June 10, 2021. A complete copy of the prospectus is available for public inspection at, Concord Baksh Tower; 11th Floor, Unit No. 11-B; Plot No. # 11/A, Road No. # 48, Block – CWN, Kamal Ataturk Avenue, Gulshan-2, Dhaka-1212, Bangladesh, The registered office of the asset manager of GM EQUITY 1st MUTUAL FUND, hereinafter referred to as the 'Fund'.

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

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

1.3. Listing of Fund

The GM EQUITY 1st MUTUAL FUND, being an open-end fund, will not be listed with any stock exchanges of Bangladesh; hence the Units of the fund will not be traded in the stock exchanges unless otherwise BSEC and stock exchange houses make arrangement in future. In that case, public communication will be made as per BSEC's approval.

The securities of the fund will be kept in a dematerialized form in Central Depository Bangladesh Limited (CDBL) to facilitate the holding and transfer of units. Units of the funds will be available for sale and surrender/repurchase on weekly working days except on the last working day of every week, record date and during book closure period of the fund at the office of the Asset Manager and the offices of authorized Selling Agent(s). Asset Manager shall disclose selling price and surrender/repurchase price of the units at the beginning of business operation on the first working day of every week as per the Rule.

1.4. Documents Available for Inspection

- i. Copy of this Prospectus shall be available in the registered office of the Asset Manager, the offices of authorized Selling Agent(s) of the fund. The prospectus will also be available for downloading from the website of the GM Equity Limited (www.gmequity.com.bd), and at the website of Bangladesh Securities and Exchange Commission (www.sec.gov.bd).
- ii. Copy of the Trust Deed and Investment Management Agreement will be available for public inspection during business hours at the registered office of the Asset Manager of the fund. The documents may also be viewed on the website of the GM Equity Limited (www.gmequity.com.bd). Anyone will be able to purchase a copy of the Trust Deed by paying the price as determined by the Asset Manager.

1.5. Conditions under Section-2CC of the Securities and Exchange Ordinance, 1969

The fund will strictly adhere to the following conditions, as per the letter of consent but not limited to and subject to any future amendment by the BSEC, under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ and Section-2CC of The Securities and Exchange Ordinance, 1969:

1. The Fund shall not account for any upward revaluation of its assets creating reserve without clearance from the Bangladesh Securities and Exchange Commission;
2. The Fund shall not be involved in option trading, short selling or carry forward transactions;
3. A Confirmation of Unit Allocation shall be issued at the cost of the fund at par value of BDT 10.00 (Taka ten) each within 90 (ninety) days from the date of sale of such units;
4. Money receipt/Acknowledgement slip issued at the time of sale of units will be treated as allotment, which shall not be redeemable/transferable;
5. The annual report of the fund or its abridged version will be published within 45 (forty-five) days of the closure of each accounting year of the fund;
6. An annual report and details of investment and savings of the fund shall be submitted to the Commission, Trustee and Custodian of the fund within 90 (ninety) days from the closure of the accounts;
7. Half-yearly accounts/financial results of the fund will be published in at least one English and another Bangla national daily newspapers within 30 (thirty) days from end of the period;

8. Dividend shall be paid within 45 (forty-five) days of its declaration, and a report shall be submitted to BSEC, Trustee and Custodian within 7 (seven) days of dividend distribution;
9. Net Asset Value (NAV) of the fund shall be calculated and disclosed publicly at least once a week;
10. The script wise detail portfolio statement consisting of all securities holdings of the fund shall be disclosed in the website of the AMC and will be sent to the Unit Holders on quarterly basis within thirty (30) days of each quarter end;
11. After initial public subscription, the sale and repurchase/surrender price of units will be determined by the Asset Management Company. NAV at market price calculated on a date shall form the sale price of units by rounding up the amount and shall be effective up to next calculation of NAV of the fund. The difference between sale price and repurchase/surrender price shall not exceed 1% of the NAV per unit of the fund.
12. BSEC may appoint auditors for special audit/investigation on the affairs of the fund, if it so desires;
13. The Fund shall maintain separate bank account(s) to keep the sale proceeds of units and to meet up day-to-day transaction including payment against Repurchase of units. All transactions of the account shall be made through banking channel and shall be properly documented;
14. The prospectus/abridged version of the prospectus shall be published in one widely circulated Bengali national daily newspaper. Provided that information relating to publication of prospectus be published in two (2) national daily newspapers (Bengali and English) and one (1) online newspaper;
15. If abridged version of the prospectus is published in the newspaper, complete prospectus shall be made available to the applicants;
16. If the Asset Manager fails to collect minimum 40% of the initial target amount under বিধি 48 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, will refund the subscription money within 30 (thirty) days without any deduction. In case of failure, the fund Manager will refund the same with an interest at 18 percent per annum from its own account within the next month;
17. On the achievement of minimum amount of Tk. 10 Crore, 25% of the initial target amount through public offer and 40% of the initial target amount collectively as per বিধি 46 and 48 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, only then the scheme will be formed and the fund will be allowed to 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 the compliance of বিধি 46 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১; In case of failure to comply the provisions of বিধি 46 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, both the AMC and the Trustee shall be accountable for any kind of investment activity.
19. Initial Target size of the fund is BDT 10 (ten) crore. The size of the fund will be increased from time to time by the AMC subject to approval of the Trustee and with intimation to the Commission;
20. Unit Allocation of the Sponsor's contribution amounting to BDT 10,000,000.00 (Taka one crore) only shall be subject to a lock-in period of one (1) year from the date of formation of the fund and the $\frac{1}{10}$ th (one tenth) of the Sponsor's contribution only shall be subject to a lock-in period of full tenure of the fund until liquidation.
21. A Confirmation of Unit Allocation amounting BDT 10,000,000.00 (Taka one crore and 10% of the Fund) will be issued in favor of the Sponsor. The said confirmation letter shall be in the custody of the Trustee. No splitting of the Unit of Sponsor shall be made without prior approval of the Commission;
22. Annual fee of the fund shall be submitted to the Commission on the fund size i.e. year-end Net Asset Value at market price of the fund on advance basis as per Rule; and may adjust the fee in the next year if necessary.
23. Subscription period of the Fund will be 45 (forty-five) days which will be started on September 21, 2021 and be ended on November 04, 2021 as per বিধি 47 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.

Please ensure that the following are adhered to:

1. As per provisions contained in the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ regarding limitation of time on closure of subscription, the initial public subscription will remain open for 45 (forty-five) days or for a period up to achievement of the initial target amount, whichever is earlier;
2. The paper cutting of the published prospectus and all other published documents/notices regarding the Unit Fund shall be submitted to the Commission within 24 hours of publication thereof;
3. The asset management company shall submit 10 (ten) copies of printed prospectus to the Commission for official record;
4. The asset management company shall ensure in writing to the Commission that the prospectus/abridged version is published correctly and is a verbatim copy of the prospectus/abridged version vetted 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 a 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 detail 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 statement 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 guideline shall include among other issues, the investment delegation power of Managing Director and/or 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 (thirty) days of issuance of consent letter.

1.6. General Information

- i. This Prospectus has been prepared by GM Equity Limited based on the Trust Deed executed between the Trustee and the Sponsor of the Fund, which is approved by the Commission and is available publicly. The information contained herein is true and correct in all material aspects and there are no other material facts, the omission of which would make any statement herein misleading.
- ii. No person is authorized to give any information to make any representation not contained in this Prospectus and if given or made, any such information or representation must not be relied upon as having been authorized by the GM Equity Limited.
- iii. The issue as contemplated in this document is applicable in Bangladesh and is subject to the exclusive jurisdiction of the court of Bangladesh. Forwarding this Prospectus to

any person residing outside Bangladesh in no way implies that the issue is made in accordance with the laws of that country or is subject to the jurisdiction of the laws of that country.

1.7. Sale and Repurchase of Units

Sale and Repurchase of units of GM EQUITY 1st MUTUAL FUND will commence at the office of GM Equity Limited and at the office of the authorized Selling Agent(s) after the opening of the fund and shall continue until winding up of the fund.

GM Equity Limited will maintain two separate BO Accounts with BRAC Bank Limited, the Custodian of GM EQUITY 1st MUTUAL FUND for creation and redemption of Units namely “GM EQUITY 1st MUTUAL FUND - Sale” and “GM EQUITY 1st MUTUAL FUND - Repurchase” respectively.

For sale of Units, GM Equity Limited will issue a Certificate for the Units sold and send it to BRAC Bank Limited for setting up of demat request. After the acceptance of demat setup by BRAC Bank Limited from its terminal, Units will be credited to the BO Account of “GM EQUITY 1st MUTUAL FUND - Sale”. Then, BRAC Bank Limited will transfer the Units from “GM EQUITY 1st MUTUAL FUND - Sale” to the Unit holders’ BO Accounts as per instruction of GM Equity Limited.

In the case of Repurchase/Surrender by the Asset Manager, the Unit holder will transfer his/her/the Institutional holder’s Units to the BO Account of “GM EQUITY 1st MUTUAL FUND - Repurchase”. BRAC Bank Limited will debit the Units from the “GM EQUITY 1st MUTUAL FUND - Repurchase” BO Account and transfer it to the “GM EQUITY 1st MUTUAL FUND - Repurchase” BO Account. Units will be taken out after setting up remat request by the BRAC Bank Limited and acceptance of remat request by the Asset Manager. Simultaneously, the payment will be made through an account payee cheque or funds will be transferred to investor’s bank account through BEFTN as per the request of the investor.

1.8. Systematic Investment Plan (SIP)

A systematic investment plan (SIP) is a planned investment facility in which investors make regular, equal payments into a mutual fund. There will be a Systematic Investment Plan (SIP) for the investors after the formation of the GM EQUITY 1st MUTUAL FUND. SIP investor to invest a certain pre-determined amount at a regular interval (monthly, quarterly, yearly etc.). This is a planned approach towards investments and helps to build the habit of saving and creating wealth for the future.

Buy and Surrender process in SIP:

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

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

Benefits may be offered for Investors such as:

SIP encourages a disciplined investment; while invested through SIP, investor commits himself/herself to save regularly. The benefits the SIP may offer to investors as follows:

- 1) **Flexibility:** Investor can start SIP with a very small amount that is BDT 5,000 and increase SIP size by multiple of BDT 1,000. One can also increase/ decrease the amount being to be invested in regular basis.
- 2) **Flexible Tenor:** The SIP will be offered for at least 2 years or any other higher period set by the Asset Manager. However, investor can set SIP scheme for 2 years/ 3 years/ 5 years/ 7 years/ 10 years. After this period, the individual scheme will be matured and may surrender or continue after maturity. If surrendered after maturity, no fees /charges may be charged on surrender.
- 3) **No Minimum Lot Size:** There will be no minimum lot size under the SIP as like normal investors. Based on "Investor's Buy Price" per unit available for SIP investors, units will be credited to investor's BO account. Any fraction amount remaining will be converted when it sums up to one unit. The fractional amount will be kept as liability of the fund in a separate account head.
- 4) **CIP Option for the SIP Investors:** SIP investors can choose either option of cash dividend or cumulative investment plan (CIP). If a SIP investor chooses CIP (i.e. Dividend reinvestment process) instead of cash dividend, they may also enjoy CIP units at a discount of prevailing "Investor's Buy Price" used for CIP conversion. After CIP conversion, they will get dividend on total number of units in the next year.

DETAILED OF SIP SCHEME WILL BE PROVIDED IN THE SCHEME BROCHURE IN FUTURE.

1.9. Declarations

Declarations about the Responsibility of the Sponsor

We, as the Sponsor of the GM EQUITY 1st MUTUAL FUND, accept the full responsibility and confirm the authenticity and accuracy of the information contained in this Prospectus and other documents regarding the GM EQUITY 1st MUTUAL FUND. To the best of the knowledge and belief of the Sponsor, who has taken all reasonable care to ensure that all conditions and requirements concerning this public offer and all the information contained in this document, drawn up by virtue of the Trust Deed of the fund by the entrusted AMC, have been met and there is no other information or documents, the omission of which may make any information or statements therein misleading.

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

Sd/-

Sherief M A Rahman
Managing Director
GM Equity Limited.

Declarations about the Responsibility of the Trustee

We, as the Trustee of the GM EQUITY 1st MUTUAL FUND, accept the responsibility and confirm that we shall:

- a) be the guardian of the fund, held in trust, for the benefit of the unit holders in accordance with the Rules and the Trust Deed;
- b) always act in the interest of the Unit holders;
- c) take all reasonable care to ensure that the Fund floated and managed by the Asset Management Company are in accordance with the Trust Deed and the Rules;
- d) Make sure that there is no contradiction between the Prospectus, Trust Deed and সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১;
- e) make such disclosures by the Asset Management Company to the investors as are essential in order to keep them informed about any information, which may have any bearing on their investments; and
- f) 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/-

Md. Mizanur Rahman
Company Secretary
Sandhani Life Insurance Company Limited

Declarations about the Responsibility of the Custodian

We, as the Custodian of the 'GM EQUITY 1st MUTUAL FUND' accept the responsibility and confirm that we shall:

- a) keep all the securities of the Fund in safe custody and shall provide the highest security for the assets of the Fund; and
- b) preserve necessary documents and record so as to ascertain movement of assets of the Fund as per সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.

Sd/-

Mr. Tareq Refat Ullah Khan
Deputy Managing Director & Head of Corporate Banking
BRAC Bank Limited

Declarations about the Responsibility of the Asset Management Company

We, as the Asset Manager of the GM EQUITY 1st MUTUAL FUND, accept the responsibility and confirm that:

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

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

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

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

Sd/-

Sherief M A Rahman
Managing Director
GM Equity Limited.

1.10. Due Diligence Certificates

DUE DILIGENCE CERTIFICATE BY SPONSOR

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

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

Subject: GM EQUITY 1st MUTUAL FUND.

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

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

We confirm that:

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

For Sponsor

Sd/-
Sherief M A Rahman
Managing Director
GM Equity Limited

DUE DILIGENCE CERTIFICATE BY TRUSTEE

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

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

Subject: GM EQUITY 1st MUTUAL FUND.

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

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

We confirm that:

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

For Trustee

Sd/-
Md. Mizanur Rahman
Company Secretary
Sandhani Life Insurance Company Limited

DUE DILIGENCE CERTIFICATE BY CUSTODIAN

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

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

Subject: GM EQUITY 1st MUTUAL FUND.

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

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

WE CONFIRM THAT:

- a) We will keep all the securities (both Listed and Non-listed) and Assets of the "GM EQUITY 1st MUTUAL FUND" including FDR receipts in safe and separate custody as per বিধি 41 of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ and will provide highest security for the assets of the fund;
- b) We shall act as custodian of the fund as mentioned above as per provisions of the custodian agreement executed with the asset management company and shall assume the duties and responsibilities as described in the trust deed of the mentioned fund and other constitutive documents;
- c) We shall also abide by the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ and conditions imposed by the Commission as regards of the fund; and
- d) We shall act to our best for the benefit and sole interests of the unit holders of the fund;

For Custodian

Sd/-
Mr. Tareq Refat Ullah Khan
Deputy Managing Director & Head of Corporate Banking
BRAC Bank Limited

DUE DILIGENCE CERTIFICATE BY ASSET MANAGER

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

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

Subject: GM EQUITY 1st MUTUAL FUND.

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

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

WE CONFIRM THAT:

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

For the Asset Manager

Sd/-
Sherief M A Rahman
Managing Director
GM Equity Limited

Chapter 2. BACKGROUND

2.1. Preamble to the formation of GM EQUITY 1st MUTUAL FUND

Mutual fund is an investment fund that has a complete and independent legal entity. The fund collects money from investors and use that money to invest in a portfolio consists of IPOs, stocks, bonds, money market instruments and other kinds of permissible investment instruments. When the fund generates profit, the return is distributed to the investors in the form of dividends and capital gains. The fund is initially formed by the Sponsor, Trustee and Custodian, and it is managed by the asset management company.

At present, Mutual funds are widely considered as a reliable investment vehicle to offer investors attractive risk-adjusted returns by pooling assets for various investment purposes. The mutual fund industry came into widespread public prominence in the mid-1980s and during the 1990s technology boom. Since the beginning, the industry has gone through peaks and troughs but it has managed to grow in both developing and developed markets around the world.

In Bangladesh, Mutual fund was first introduced in 1980 by Investment Corporation Bangladesh (ICB), which is a public sector financial institution of the government. Around 2000, private asset management companies started to enter in the industry. This industry in Bangladesh is at its emerging stage, offering room for innovation and good prospects. At the initial stage of the industry cycle, the asset managers and fund investors demonstrated their growing interest in close-end mutual funds. Later, the space for open-end funds have also created successively. Despite that, investment in mutual fund by Bangladeshi institutional and individuals investors are among the lowest in the world, and it offers a vast untapped opportunity for asset managers in this country. Recognizing this prospect and need of a dependable solution, GM Equity Limited (GME) is launching its first open-end mutual fund “GM EQUITY 1st MUTUAL FUND”.

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

The economy of Bangladesh has made remarkable progress since independence. The country has become one of the fastest growing economy in the world with around 7% annual nominal growth rate in last decade. Given the extremely young aged population, over 50% of the 165 million people are under the age of 30, the internal economy is expected to increase multifold over next few decades. Once this population starts engaging in various sectors, the economic growth of Bangladesh will magnify and the country will be moving towards a developed economy.

To facilitate the growth, the current government is improving policies and regulatory stance for accommodating a business friendly ecosystem. The Digital Bangladesh Vision is being implemented across major civil services and private services to ensure human resource

development and efficiency improvement in every sector for the next century. The government is not only undertaking structural reforms to improve policies and regulations, but also setting up physical infrastructure to support sustainable growth. Several megaprojects are ongoing to expand communication infrastructure and to meet increasing demand of energy in future. Based on these initiatives, we can foresee that the economy of Bangladesh has significant potential for growth.

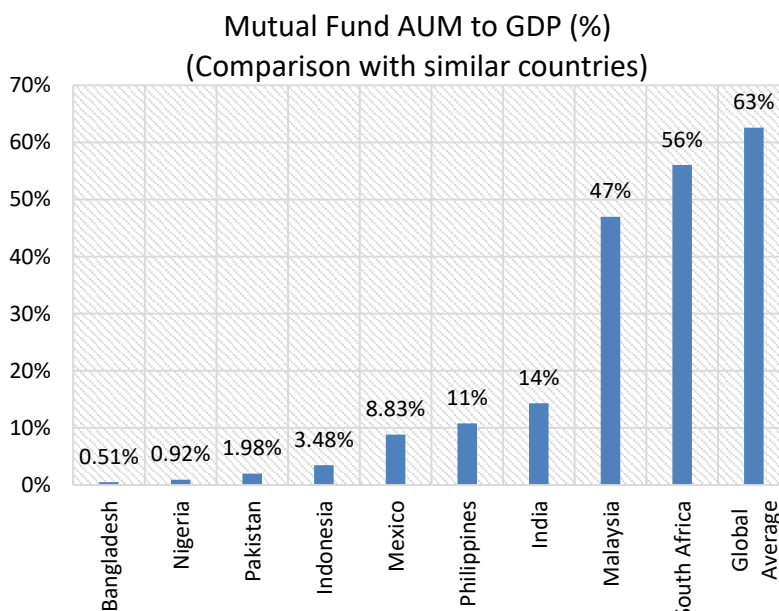
Considering all growth prospects of Bangladesh, every business sector is expected to get benefited from the macro and micro perspectives. As the business sectors grows, the financial markets, comprises of capital market, money market and foreign exchange market, will also capture the growth and create sustainable investment ecosystem for the nation.

The Capital market of Bangladesh consists of two full-fledged automated stock exchanges: the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE). Bangladesh Securities and Exchange Commission (BSEC) actively regulates the stock exchanges of the country. The BSEC has been very successful in sustaining the growth momentum of market and proved its commitment to continue facilitating the market in every situation. In last two decades, the capital market has become a very strong platform for companies to raise capital as well as for investors to grow their capital. Although, the market has gone through dull period from 2011 to 2016 but several steps were undertaken by stakeholders to make the market vibrant and competent.

In 2018 DSE's remarkable strategic partnership with United Nation Sustainable Stock Exchanges (SSE) and Chinese consortium comprised of the Shanghai Stock Exchange and Shenzhen Stock Exchange (SZSE) has reshaped the stock market. The SZSE-led Chinese consortium purchased 25% stake of Dhaka Stock Exchange to become strategic partner. The ongoing regulatory reforms and participation of sophisticated institutions has created a transparent and liquid market for the investors.

When the Covid-19 pandemic turned the world into silence, major markets around the world have seen catastrophic negative impact for a prolonged period. However, the capital markets of Bangladesh rebound strongly after the pandemic. Both Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) exhibited sustainable upward trend. At the end of May 2021, the market capitalization stands at over BDT 5,039 billion (Approximately USD 60 billion), which is 18% of the GDP of Bangladesh. Foreign investors are closely observing Bangladeshi capital market and increasing allocation for emerging markets like this. However, to attract foreign investors alongside local investors, our market needs capable institutional investors who have the knowledge and expertise to manage funds very prudently. While investing, investors also look for funds managed by professional investment management firms, hence mutual fund stands out as a trusted investment vehicle in the first place. There are around hundreds mutual funds in Bangladesh which are operating as open-end and close-end investment vehicle. The total asset under management of mutual funds is around BDT 130 billion (Approximately USD 1.5 billion) which is around 0.51% of the total GDP of Bangladesh.

Mutual Fund AUM to GDP	%
Bangladesh	0.51%
Nigeria	0.92%
Pakistan	1.98%
Indonesia	3.48%
Mexico	8.83%
Philippines	10.78%
India	14.33%
Malaysia	46.97%
South Africa	56.06%
Global Average	62.56%
Turkey	154.92%
Australia	208.58%



(Data: Mutual Fund AUM to GDP comparison in peer countries. Source: Research, GM Equity Limited)

Moreover, if we consider Mutual Fund AUM to GDP data of some similar countries, it clearly indicates the scope available for investors to invest in mutual funds and get a stable return over long term. The fund management standard and performance of the mutual fund managers are in line with global standard. Hence, the AUM is expected to grow multifold in future and to get benefits from the growth sphere of capital market and economy of Bangladesh, mutual fund is the most suitable investment vehicle for both local and global investors.

Hence, to capture the growth of the economy of Bangladesh and capital market for creating value for investors, we believe this is the right time to launch our GM Equity 1st Mutual fund in current market scenario. This fund would invest in the companies which are yet to generate significant value for their stakeholders and will position themselves for providing long term gain. The capital market is showing steady growth prospects where we, as a fund manager, would be managing the fund actively to ensure sustainable return at minimized risk. In this background, we expect the fund to perform well and provide good return to the investors by safeguarding their initial investment.

2.3. Advantages of Investing in GM EQUITY 1st MUTUAL FUND

GM EQUITY 1st MUTUAL FUND will be managed in a manner that will ensure maximum benefit for the investors with minimum risks. Investors will enjoy the following advantages by investing in GM EQUITY 1st MUTUAL FUND:

- **Corporate Governance:** GM Equity Limited follows a proper corporate governance culture which will ensure the superior compliance with সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.

- **Professional Fund Manager:** Professional fund managers and investment team dedicatedly research, select and manage the fund to generate profit for the investors.
- **Disciplined Investment:** Mutual fund managers follow each fund's investment goal, strategy and allocations to spread investments across a wide range of companies and industry sectors.
- **Easy Investment and Liquidation at NAV:** The open-end fund will not be subjected to the demand-supply mechanism in the trading of stock exchange. The surrender price and the sales price will be calculated based on the Net Asset Value (NAV) as per the BSEC rules and regulation. Investors of mutual fund can en-cash their investment at the current NAV. This feature enables investors to have enough liquidity when they need cash.
- **Lower costs for Investors:** An investor can hold a larger number of securities by buying minimum units of a Mutual Fund which will not be charged a higher amount of transaction fees that happens when the investor buys through the brokerage in his or her account.
- **Access to Reserve Quota:** Mutual funds enjoy reserve quota for all Initial Public Offering (IPOs) in Bangladesh. IPOs usually perform well, so, by investing the mutual funds, an investor can be a part of the provision.

2.4. Tax benefits of Investing in GM EQUITY 1st MUTUAL FUND

The dividend Income of mutual fund or a unit fund is exempted from income tax of up to BDT 25,000 (Twenty Five Thousand taka) as per clause 22A of Schedule (Part A) under Income Tax Ordinance 1984. Moreover, profits generated by the mutual fund are also tax exempted. This lowers overall tax liability for investors.

Investors are also eligible for tax rebate on their investment amount. According to the Income Tax Ordinance (ITO) 1984, section 44(2) (c), amended in 2016, amount of allowable investment is on actual investment or 25% of the total income excluding any income for which a tax exemption or one crore and fifty lakh taka whichever is less. According to Section 44(2) (b) under Income Tax Ordinance 1984, the tax rebate rate is as per following schedule:

Total Income	Amount of credit
i. if the total income does not exceed taka fifteen lakh	15% of the eligible amount;
ii. if the total income exceeds taka fifteen lakh	10% of the eligible amount;

Chapter 3. THE FUND

3.1. Formation of the Fund

GM EQUITY 1st MUTUAL FUND has been constituted through a Trust Deed entered into between GM Equity Limited and Sandhani Life Insurance Company Limited on June 10, 2021 under the Trust Act, 1882 and Registration Act, 1908. The Fund was registered by the BSEC on June 20, 2021 under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.

3.2. Tenor and Size of the Fund

The GM EQUITY 1st MUTUAL FUND is an open-end mutual fund with a perpetual life. Institutional investors ranging from local and foreign, Islamic and conventional, and individual investors, resident and non-resident Bangladeshis (NRBs) are eligible to invest in this Fund.

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

3.3. Face Value and Denomination

The face value of each unit will be BDT 10.00 (Taka ten). 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 but not less than 500 (five hundred) Units for individuals and 5,000 (five thousand) Units for institutions.

3.4. Investment Objectives and Policies

3.4.1. Investment Objectives

The objective of the fund is to generate sustainable capital gain and provide regular dividend to the investors. The fund will accumulate profits by investing in capital market and money market instruments, ensuring prudent risk management practices.

3.4.2. Investment Policies

The details of the investment policies are as follows:

- 1) The Fund shall invest subject to the বিধিমালা and only in those securities, deposits and investments approved by the Bangladesh Securities and Exchange Commission and/or the Bangladesh Bank and/or the Insurance Development & Regulatory Authority (IDRA) of Bangladesh or any other competent authority in this regard.
- 2) Not more than 60% of the total assets of the Scheme of the Fund shall be invested in capital market instruments out of which at least 50% shall be invested in listed securities. The fund can invest only in investment grade unlisted securities and after a prior approval of the trustee.

- 3) Not less than 30% of the total asset of the Scheme of the Fund shall be invested in money market instruments.
- 4) Not more than 20% of the total asset of the Fund shall be invested in non-listed securities at any particular date. In case of investment in non-listed corporate bonds or pre-IPO placement shares, the asset manager shall obtain approval from the Commission.
- 5) All money collected under the Fund shall be invested only in encashable/transferable instruments, securities whether in money market or capital market or privately placed pre-IPO equity, preference shares, debentures or securitized debts.
- 6) The Fund shall get the securities purchased or transferred in the name of the Fund.
- 7) Only the Asset Management Company will make the investment decisions and place orders for securities to be purchased or sold for the Scheme's portfolio.
- 8) Non-listed securities that are “Investment Grade” and enjoy “Very Strong” credit rating by a licensed credit rating agency are eligible for investment under this scheme of the mutual fund.

3.5. Investment Restrictions

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

- 1) The Fund shall not invest more than 10% of its total assets in any one particular company.
- 2) The Fund shall not invest more than 10% of paid up capital (or other securities such as bond or debenture) issued by any company.
- 3) The Fund shall not invest more than 10% of its total assets in any one company or a group of companies under the control of a parent company. This condition shall not be applicable for the investment in government securities.
- 4) The fund shall not invest more than 25% of its total assets in shares, debentures or other securities in any one industry.
- 5) The Fund shall not invest in, or lend to, any scheme under the same Asset Management Company.
- 6) 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.
- 7) The Fund or the Asset Management Company on behalf of the Fund shall not give or guarantee term loans for any purpose or take up any activity in contravention of the বিধিমালা.
- 8) 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 stock

exchanges and shall in no case put itself in a position whereby it has to make short sale or carry forward transaction.

- 9) The Fund shall not involve in option trading or short selling or carry forward transaction.
- 10) The Fund shall not buy its own unit.

3.6. Valuation Policy

As per section 58 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, the fund shall fix the valuation method for the Scheme subject to prior approval of the Commission. Through consenting on this prospectus, the BSEC has approved the method of valuation that the fund has adopted to value investments. Details of the valuation policy is as follows:

- 1) For listed securities, the average quoted market price on the stock exchanges on the date of valuation shall form the basis of any calculation of Net Asset Value of such securities in the portfolio of the Fund.
- 2) For securitized debts, debentures, margin or fixed deposits, the accrued interest on such instruments on the date of valuation shall be taken into account in any calculation of Net Asset Value of such securities in the portfolio of the Fund.
- 3) The fund shall fix the valuation method for the Scheme in compliance with the International Financial Reporting Standard (IFRS) and subject to the prior approval of the Commission.
- 4) The Fund shall follow the method approved by the Commission for valuation of the non-listed investment, if any, and the Asset Management Company and the Trustee shall periodically review the non-listed investment, if any, and the Trustee shall periodically review the value of such investments. The auditors shall comment in the annual report of the Scheme of the Fund.
- 5) The valuation of listed securities not traded within previous one month will be made based on their reasonable value by the Asset Management Company and approved by the Trustee and commented upon by the auditors in the Annual Report of the Scheme of the Mutual Fund but shall not be more than the intrinsic value of the securities.
- 6) The valuation of non-listed securities will be made by the Asset Management Company in compliance with IFRS and other securities regulations to be approved by the Trustee and commented upon by the Auditors in the annual report of the Scheme.
- 7) 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.
- 8) Asset Management Company and Trustee will value the non-listed securities at least once in every three months.
- 9) In case of deferred expenses, accrued expenses for the period will be taken into account for determining total liabilities.

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

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

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

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

3.7. Limitation of Expenses

- 1) The Asset Management Company may charge the Fund for management fee as per সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.
- 2) The initial issue expenses in respect of the fund shall not exceed 4% (Four percent) of collected amount of the fund raised under the Scheme or any ceiling as determined by the AMC which is approved by the Commission and the Trustee and shall be amortized within 7 years (seven years) on a straight-line method.
- 3) Total expenses charged to any Scheme of the Fund except the amortization of initial issue expenses including transactions cost in the form of stock brokerage against buy and sell of securities forming a part of acquisition or disposal cost of such securities, transaction fees payable to the custodian against acquisition or disposal of securities, CDBL charges, the annual registration fees payable to the Commission, audit fees, cost for publication of reports and periodicals, bank charge, selling agent fee, Trustee fee, Management fee etc. shall not exceed 4% (Four percent) of the weekly average net assets outstanding during any accounting year or as may be determined by the Rules.
- 4) The expenses referred to hereinabove and any other fees payable or reimbursable to the Asset Management Company or the Trustee shall be charged to the Fund.

3.8. Price Fixation Policy

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

The Asset Manager shall calculate the Net Asset Value (NAV) per Unit on the last Business Day of every week as per formula prescribed in the বিধিমালা and shall disclosed publicly at least once a week, Investor's Buy Price/Sale Price, and Investor's Repurchase/Surrender 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 Commission and to the investors through at least one national daily newspaper, the website of the Asset Manager of the fund.

The difference between Investor's Buy Price/Sale Price, and Investor's Repurchase/Surrender Price shall not be exceed 1% of the Investor's Buy Price/Sale Price at any given point. The difference shall be determined by the Asset Manager with the approval of the Trustee.

The Unit holders may surrender their unit certificates during the Business Hour as specified by the AMC. The Fund shall be liable to repurchase the units at the Surrender Value determined by the AMC. Buy/Sale and Repurchase of Units by the Asset Management Company shall remain closed during the Book Closure period of the Fund unless the Commission decides otherwise.

3.9. Sale and Repurchase Procedure

- 1) The units of GM EQUITY 1st MUTUAL FUND may be bought and surrendered through GM Equity Limited and authorized selling agent (s) appointed by the Asset Manager from time to time and any other procedure as prescribed by the Asset Manager.
- 2) During initial subscription minimum purchase quantity is 500 (five hundred) units for individual investors and 5,000 (five thousand) units for institutional investors.
- 3) Application for purchase of units should be accompanied by an account payee cheque/pay order/bank draft in favor of "GM EQUITY 1st MUTUAL FUND" for the total value of units purchased.
- 4) After clearance/encashment of cheque/draft/pay order, the applicant will be issued with a "Confirmation of Unit Allocation" against purchase of every units he/she/the institutional investor applies for; the Units will also be delivered to the Unit holder's respective BO Account.
- 5) The redemption shall be made on first come first serve basis. In the event the redemption request on a particular day exceed 1% of the total unit outstanding, the Asset Management Company may defer, if required, the redemption request over 1%

for a maximum period of 3 (three) working days. The Asset Manager shall proceed to sell adequate assets to pay the due amount within the stipulated time.

- 6) The partial Surrender (fraction of total Units) held under a “Unit Allocation Confirmation” is allowed without any additional cost subject to minimum surrender quantity of 500 (five hundred) units for individuals and 5,000 (five thousand) units for institutional investors. Upon partial surrender, the Unit holder will be issued with a new Confirmation of Unit Allocation representing the holding of unit holding.
- 7) All payments/receipts in connection with or arising out of transactions in the units shall be in Bangladeshi Taka (BDT).

3.10. Investment Management

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

3.11. Risk Management of the Fund

GM Equity Limited will implement effective risk management mechanism to manage investment risks. Risk management is a combination of quantitative and qualitative approaches that includes different risk management models and stress testing. The AMC has proprietary investment management process that identifies risks and ensures risks are regulated for safeguarding the investments.

3.12. Dividend Policy

- 1) The accounting year of the Fund shall be July 01 to June 30;
- 2) The Fund shall distribute minimum 70%, or as may be determined by the বিধিমালা from time to time, of the annual net income of the Fund as dividend at the end of each accounting period after making provision for bad and doubtful investments. The Fund shall create a dividend equalization reserve by appropriation from the income of the Scheme;
- 3) Net income for a period of a mutual fund shall be measured following IFRS and after incorporating all expenses as well as provision for diminution in the value of investment in securities and other assets.
- 4) Surpluses arising simply from the valuation of investments shall not be available for dividend;
- 5) Dividend warrants will be dispatched within 45 days from the declaration of such dividends;

3.13. Redemption/Winding Up Policy of the Fund

Procedure of Redemption/Winding Up

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

Manner of Redemption/Winding Up

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

Effect of Redemption/Winding Up

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

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

Chapter 4. RISK CONSIDERATIONS

4.1. Risk Factors

Investing in the GM EQUITY 1st MUTUAL FUND (hereinafter the fund) bears certain risks that investors should carefully consider before investing in the fund. Investment in the capital market and in the fund bears certain risks that are normally associated with making investments in securities including loss of principal amount invested. There can be no assurance that the fund will achieve its investment objectives. The Fund value can be volatile, and no guarantee can be given that investors will receive the amount originally invested. When investing in the fund, investors should carefully consider the risk factors outlined below, which are not necessarily exhaustive or mutually exclusive:

1. **General Risk:** There is no assurance that the fund will be able to meet its desired investment objectives. Investors could potentially incur losses, including loss of principal when investing in the fund. Investment in the fund is not guaranteed by any government agency, the Sponsor or the Asset Manager. Mutual funds and securities investments are subject to market risks and there can be no assurance or guarantee that the fund's objectives will be achieved. As with any investment in securities, the Net Asset Value (NAV) of the fund may go up or down depending on the various factors and forces affecting the capital market and money market of the country. Past performance of the Sponsors and their affiliates and the Asset Manager do not indicate the future performance of the fund and may not necessarily provide a basis of comparison with other investments to this fund. Investors should study this offer document carefully before investing in it.
2. **External Risk:** Due to relevancy, performance of the fund is substantially dependent on the macroeconomic situation of Bangladesh which can have effects on the capital market and money market of the country as well. Political and social instability may have an adverse effect on the value of the fund's assets. Changes in government policy on tax rates, interest rates may also affect the return on investments of the fund. Adverse effect of the economic crisis of the international community on the capital market of Bangladesh may hinder the performance of the fund. Bangladesh has been prone to natural disaster and political instability over last few decades. Undesirable events such as these may impact the value and performance of the fund too.
3. **Market Risk:** Capital markets in the world as well as in Bangladesh is highly volatile, where mutual fund prices and prices of other securities can fluctuate significantly. The fund may lose its value or incur a sizable loss on its investments due to such market volatility. Stock market trends indicate that prices of majority of all the listed securities move in unpredictable direction which may affect the value of the fund. Furthermore, there is no

guarantee that the market prices of the units of the fund will fully reflect their underlying NAV.

4. **Concentration Risk:** Due to the limited number of listed securities in both the DSE and CSE, it might be difficult to invest the fund's assets in a widely diversified portfolio as and when required to do so. Because of a very thin secondary fixed income/debt market in Bangladesh, it would be difficult for the Fund Manager to swap between asset classes, if and when required. Limited options in the money market instruments would also narrow the opportunity of short term or temporary investments of the fund which may adversely impact the expected return.
5. **Dividend Risk:** In spite of the careful investment selection of securities in the fund, if the companies/mutual funds fail to provide the expected dividend or fail to disburse the dividends declared in a timely manner, this will impact the income and the overall return of the fund.
6. **Liquidity Risk:** While investing in Pre-Public Offer Placement securities i.e. in unlisted equity securities by the fund, may involve liquidity risk. Additionally, market conditions and investment allocation may have an impact on the ability to sell securities during periods of market volatility. Debt securities, while somewhat less liquid, lack a well-developed secondary market, which may restrict the selling ability of the fund and may also lead to the fund incurring losses till the security is finally sold. While securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock exchanges and may lead to the fund incurring losses till the security is finally sold.
7. **Investment Strategy Risk:** Since the fund will be an actively managed investment portfolio; it is subject to management strategy risk. Although the AMC will apply its diligent investment process and risk minimization techniques when making investment decisions for the fund, there can be no guarantee that such process and techniques would produce the desired outcome.
8. **Credit Risk:** Since the fund will seek to invest as per the guidelines of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ in both equity and fixed income securities; the credit risk of the issuer of fixed income securities is also associated with the fund. Investment in fixed income securities are subject to the risk of the issuer's inability to meet interest and principal payments on its obligation and market perception of the creditworthiness of the issuer.
9. **Issuer Risk:** In addition to market and price risk, value of an individual security can, in addition, be subject to factors unique or specific to the issuer, including but not limited to management malfeasance, lack of accounting transparency, management performance,

management decision to take on financial leverage etc. Such risks can develop in an unpredictable fashion and can only be partially mitigated, and sometimes not at all, through research or due diligence. To the degree that the fund is exposed to a security whose value declines due to issuer risk, the fund's value may be impaired.

10. Redemption Risk: In the event of a very large number of repurchase requests, there may be delays in the delivery of the payment.

4.2. Risk Tolerance of Investors

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

Chapter 5. FORMATION, MANAGEMENT AND ADMINISTRATION

5.1. Sponsor of the Fund

GM Equity Limited is the sponsor of the fund. The company is an Asset Management Company licensed by Bangladesh Securities and Exchange Commission (BSEC). GM Equity Board consists of renowned entrepreneurs who are pioneers in Bangladesh capital market and have more than decades of experience in business. Chairman of GM Equity Ltd Mr. Golam Mostafa, is also the founding chairman of Deshbandhu Group. The purpose of this company is to help all kinds of investors to reach their financial goals in a sustainable way. The company has created the fund for the benefits of its investor and the capital market of Bangladesh.

GM Equity Ltd acts as a trusted investment service provider for individuals, institutions, and financial intermediaries both local and global arena. It has a team of veteran investment professionals who has decades of experience in investment banking and capital market. GM Equity Ltd believes that professionalism, dedication and transparency are the keys to success in wealth management industry. GM Equity Ltd will not only aim to achieve sustainable growth of investments for investors but also promoting the Country globally and at the same time contributing to the economic development of the country.

5.2. Trustee of the Fund

Sandhani Life Insurance Company Limited (SLIC) is the Trustee of the fund. The company started in 1990 and is one of the leading Life Insurance Company in Bangladesh. Sandhani Life Insurance Company is mainly engaged in Ordinary Life Policy, Islami (Takaful) Life Policy, Group Term, and Hospitalization Insurance Business under the name of GSB, DPS, GDPS, and IDPS scheme. The Company is a publicly-traded company and its shares are listed in Dhaka Stock Exchange Limited and Chittagong Exchange Limited.

In the field of insurance business, SLIC has a strong foothold as their vision is to ensure the social and family protection through Life Insurance of all the families In Bangladesh. The use of modern technology and dedicated professionalism of their team would ensure the highest possible services to the shareholders. Furthermore, SLIC seeks to live up to its responsibilities to the community by providing various types of philanthropic activities to play a supportive role to protect our social, cultural, environmental, economic, and national interest.

Sandhani Life Insurance Company obtained registration as Trustee from the BSEC on November 25, 2009. The Company's role, responsibility and scope of work as the Guardian of the Fund is vast and crucial and for this reason the Company is highly committed to uphold this honor and perform its duties diligently to ensure that the investors of mutual funds are not deprived or suffer from making investments in mutual funds in Bangladesh.

5.3. Custodian of the Fund

BRAC Bank Limited, a private bank company in Bangladesh, will act as the Custodian of the Fund. BRAC Bank Limited is incorporated under Companies Act, 1994 and Bank Companies Act, 1991. It has registered with the Bangladesh Securities & Exchange Commission on December 15, 2009 to act as Custodian.

BRAC Bank Limited is established in 2001 with the vision of “Building a profitable and socially responsible financial institution focused on market and business with growth potential, thereby assisting BRAC and its stakeholders to build a just, enlightened, healthy democratic and poverty free Bangladesh” . BRAC Bank began its journey unlike any other conventional bank. The visionaries who led the bank realized that the previously neglected Small and Medium Enterprises (SME) sector plays significant role in generating growth and creating employment in the country. Over the past few decades, traditional banks were reluctant to invest in this sector. At a time when it was almost impossible for the SME entrepreneurs to get financing from the banking sector in Bangladesh, BRAC Bank stepped forward and came to finance these unbanked SME entrepreneurs.

BRAC Bank has become the first Bangladeshi Bank to be rated the best by three of the top domestic credit rating agencies in Bangladesh (CRAB AA1/ST-1, CRISL- AA+/ ST-1 and Emerging Credit Rating- AA+/ ST-1) and two of the world’s leading credit rating agencies (S&P Global Ratings - B+ and Moody's Investor Service - Ba3) – portraying quality portfolio, higher capital base, stability and steady growth trends.

5.4. Asset Manager of the Fund

GM Equity Limited is the Asset Manager of the Fund and it is an accredited Asset Management Company that delivers broad range of investment services to a large and diversified client base that includes corporations, financial institutions, and individuals. Founded in 2020, the company believes that professionalism, dedication and transparency are the keys to success in wealth management industries.

The company board consists of prominent businesspersons who are forerunners in Bangladesh capital market with decades of proactive experiences in business. Mr. Golam Mostafa is the Chairman of GM Equity Ltd and the founder of another business conglomerate “Deshbandhu Group”. The core persistence of this company is to provide investors all kinds of amenities to reach their financial goals in a sustainable way. Therefore, the company has created the fund in order to provide benefits of its investor and the capital market of Bangladesh.

The management team consist of veteran investment professionals who has decades of experience in investment banking and capital market. Aiming to achieve sustainable growth of investments for their clients. The company objects to promote and contribute to the economic development of the country.

GM Equity Limited provides the following solutions to clients:

- Mutual Fund Management
- Institutional Portfolio Management
- Corporate Advisory

Brief profiles of the Directors and Senior Management of the asset manager:

Golam Mostafa, Chairman

Mr. Golam Mostafa, a Harvard educated businessman, is an Early Starter, A Curious Individual, Leadership & Analytical to the Core, the very definition of an Entrepreneur and a doer. He is one of the most promising and potent entrepreneurs that the Bangladesh Corporate World has ever witnessed. Mr. Mostafa, with an innate sense of business, has gathered immense knowledge of business and the know-how of it over the last 30 years. Over the process, he has had an immense contribution to the economy of Bangladesh in the genre of import and export of bulk commodities in various extents and scopes. He has not only established himself as one of the fastest moving and growing businessmen of his time, but also became a member of some of the most prestigious institutions such as Harvard University Alumni, Dhaka Chamber of Commerce & Industry (DCCI), former Chairman of FBCCI Internal Trade Sub-Committee, Bangladesh Fertilizer Association (BFA), American Chamber of Commerce in Bangladesh (AMCHAM), Dhaka Club, General Secretary of Shopping Complex Owners Association, immediate past president of Bangladesh Sugar Refinery Association, and Senior Vice President of Bangladesh Small & Captive Power Producers Association. Mr. Golam Mostafa is recognized as a Commercially Important Person (CIP) of Bangladesh in 2008 and he has also been awarded many times from prestigious organizations in home and abroad. Mr. Mostafa actively engages in philanthropic, social and CSR activities to help the less fortunate population of the country and hopes to make Bangladesh an active marker in the world, in terms of both economic and social development.

Sherief M A Rahman, Managing Director

Mr. Sherief M A Rahman is a career investment banker and former CEO of BRAC EPL Stock Brokerage Limited which is widely recognized and highly acclaimed across Bangladesh Capital Market for being instrumental to bring in more foreign portfolio investment in Bangladesh and develop the market structure for retail investors. He has experience in working all areas of Bangladesh capital market i.e. Stock Broking, Merchant Banking, Asset Management and Security Custodial. Mr. Rahman experienced a meteoric rise during his last twenty years of successful career in investment banking and broking business in both local and foreign companies. Mr. Rahman has Bachelors and Master's degree in Management from University of Dhaka and MBA (Major in Finance) from East West University. He worked in various roles with the top foremost conglomerates and investment firms such as Apex Group, Abdul Monem Group, Brummer & Partners Asset Management (Bangladesh), AB Bank, PERIGRINE Capital, Equity Partner, National Life Insurance Company and BRAC, where he spent about 11 years as CEO role and over 10 years in management capacity.

Mr. Prosenjit Saha, Head of Operations

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

5.5. Investment Management Process

Our investment management process is built around the investment objective of the fund, time horizon and risk tolerance level of the investors. We follow a well-balanced asset allocation strategy to invest funds in diverse investment instruments which ranges from equities to fixed income instruments. Our overall investment management process can be categorized in the following steps:

- i. **Investment Landscape Screening:** At the initial stage of investment management process, we map out an investment landscape based on available asset class and instruments for the portfolio. Screening criteria are developed according to the investment objectives and risk categories of individual asset classes considering the risk adjusted return expectation from the portfolio. The screening result provides us a direction to create investment universe and undertake in-depth research.
- ii. **Fundamental and Technical Analysis:** Our research analysts perform top-down and bottom-up analysis to thoroughly research on the industries, companies and screened investment instruments. Upon rigorous research, the analyst team provides recommendation on the investment instruments. The team also continuously monitor the quarterly performance and any tangible updates on the securities under coverage.

- iii. **Portfolio Construction:** Investment portfolio is constructed according to the investment objective and risk principles of the fund under management. Our portfolio managers use proprietary tactical asset allocation strategy to create a portfolio with a mix of deeply undervalued and highly growth securities. This active portfolio management strategy has significant impact on our portfolio performance and long term sustainability of the invested fund.
- iv. **Actively Monitor and Rebalance Portfolio:** Our portfolio management team follows a well-disciplined fund management practice to maintain investment positions in a portfolio. The team dedicatedly monitor the portfolio according to the market dynamics on an ongoing basis. If needed, fund managers rebalance the portfolio by including or excluding particular securities in designated industries and asset classes. Rebalancing is a continuous process in our fund management to ensure that the fund remains consistent with its desired investment strategy. It is also critical for understanding the risk and safeguarding the capital.

5.6. Auditors

The Trustee, Sandhani Life Insurance Company Limited has appointed A. Qasem & Co. (EY of Bangladesh) as the Auditor of the fund. It is one of the reputed and oldest audit firms of the country and one of the panel members of Auditors nominated by BSEC. The Trustee, Sandhani Life Insurance Company Limited shall continue to appoint subsequent auditors throughout the tenure of the fund.

5.7. Names of Selling Agents

- a) Green Delta Securities Limited (GDSL)

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

5.8. Fees and Expenses

GM EQUITY 1st MUTUAL FUND will pay the fees of Asset Management Company, the Trustee and the Custodian together with any other fees, commissions and expenses as may arise from time to time. The Fund will bear its own costs and expenses incurred/accrued in connection with its formation, promotion, registration, public subscription, listing fees (if applicable), together with certain other costs and expenses incurred in its operation, including without limitation, expenses of legal and consulting services, auditing, other professional fees and expenses, brokerage, share/debenture registration expenses, guarantee or underwriting commission and fees due to the BSEC. The Fund will also bear all other incidental expenses including printing, publication and stationery relating to its smooth and fair operation.

Since, the fund size of BDT 100,000,000 (Taka Ten crore), GM Equity Limited has estimated the normal annual operating expenses of the fund, which will not exceed 4% of the weekly average net assets (NAV) of the fund. However, there may be variation in the actual operating expenses of the fund. Major expenses of the fund are detailed as follows:

5.8.1. Issue and Formation Expenses:

Issue and formation expenses are estimated to be not over 4% of the collected amount. The expenses will be amortized within 7 (Seven) years on a straight-line method. The estimated expenses for the issue and formation of the fund are presented below with the assumption of Taka 100,000,000 (Taka Ten crore) to be collected:

SL No.	Type of Expenses	Percentage of Total Target Fund	Total (Taka)	Sub Total (Taka)	Basis
1	Formation Fee Payable to AMC	1.00%	1,000,000	Set-fee	Formation fee to AMC on collected fund of approved fund size.
2	Management Fee for Pre-scheme formation period	0.25%	250,000	On Scheme	Management fee of AMC for pre-Scheme formation period as per BSEC directive (No SEC/CMRRCD/2009-193/160) dated 28 May 2014.
3	Legal & Compliance related Expenses (Application, Registration fees etc.)	0.48%	478,500	10,000	BSEC Application Fees
				100,000	BSEC Annual Fees
				200,000	BSEC Registration Fees (0.2% of Initial Fund Size)
				125,000	Trust Deed Registration fee
				20,000	CDBL Fee
				23,500	CDBL documentation and Connection
4	Printing & Publication	1.20%	1,200,000	800,000	Publication of Abridged Version
				200,000	Printing of Prospectus
				200,000	Printing of Forms and Other Marketing Documents

5	Road Show and Marketing Expenses	0.50%	500,000	500,000	Marketing, Courier, Distribution, Road Show etc.
6	Other Expenses	0.30%	300,000	300,000	Others/ Miscellaneous
	Total Taka	3.73%	3,728,500		

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

5.8.2. Management Fee:

As per সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ the Asset Management Company shall be paid annual management fee @ 2.50% per annum of the weekly average NAV up to Tk. 50,000,000 (Taka five crore) and @ 2.00% per annum for additional amount of the weekly average NAV above Tk. 50,000,000 (Taka five crore) up to Tk. 250,000,000 (Taka twenty five crore) and @ 1.50% per annum for additional amount of the weekly average NAV above Tk. 250,000,000 (Taka twenty five crore) up to Tk. 500,000,000 (Taka fifty crore) and @ 1.00% per annum for additional amount of the weekly average NAV over Tk. 500,000,000 (Taka fifty crore) accrued and payable half yearly.

5.8.3. Trustee Fee:

The Fund shall pay an annual trusteeship fee at the following rate on semi-annual in advance basis, during the life of the fund:

SI No.	Fee Tranches	Fees
a	NAV of the first 200 crore of fund	0.08%
b	NAV of the next 100 crore of fund	0.07%
C	NAV of the remaining fund	0.06%

5.8.4. Custodian Fee:

The Fund shall pay to the custodian i.e. BRAC Bank Limited for safekeeping of securities @ 0.08% of balance (dematerialized and non-dematerialized) securities held by the fund and calculated on the basis of average month-end value per annum.

5.8.5. CDBL Fee:

The Annual Fee of CDBL is based on the face value of the total fund size as follows:

SI No.	Fee Tranches	Fees
a	Up to BDT 5 crore	N/A
b	Above BDT 5 crore up to BDT 20 crore	BDT 20,000/-
c	Above BDT 20 crore	BDT 40,000/-

The fund has to pay applicable VAT on top of the Annual Fees. Annual Central Depository System (CDS) Connection Fee will be BDT 6,000 plus applicable VAT. These fees may be amended from time to time by the Commission in the future.

5.8.6. Fund Registration and Annual Fee:

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

5.8.7. Audit Fee:

The audit fee will be BDT 30,000 (Thirty thousand Taka) only, plus VAT and Trustee will fix fees for subsequent years.

5.8.8. Selling Agent Commission:

The fund may pay commission to the authorized selling agent(s) to be appointed by the Asset Manager at the rate of up to 1.00% (One Percent) on the total face value of unit sales which may change in future with the approval of the trustee. If individuals are appointed as selling agents by AMC, the commission payable to them will vary and fixed as per AMC's after taking approval from trustee. The fee will be accruable on collection basis and payable at the end of the quarter. If the amount is collected in between of the quarter, the fund shall pay commission on pro-rata basis based on the remaining date in that quarter. The Selling Agent Commission will be applicable for sales of unit; not on surrender of units. The selling agent commission may change in future with prior approval from the Trustee.

5.8.9. Brokerage Fee

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

5.9. Borrowing Policy

As per provisions of the বিধিমালা, the Fund is neither permitted to borrow for finance any investment nor allowed to advance/guarantee any term loan for any purpose. However, if the competent authority withdraws or relaxes these restrictions during the life time of the Fund, if necessary, with the consent of the Trustee, it may well opt for borrowing from any legal source as well as advance/guarantee term loan at a competitive rate.

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

6.1. Issue of Units

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

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

6.2. Subscription from Sponsor

GM Equity Limited, the Sponsor, has already subscribed BDT 10,000,000 for 1,000,000 units of Tk. 10.00 each at par as per সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.

6.3. Tax Status

Investment in this Fund by individual investors will enjoy tax exemption benefit under 22A of Schedule (Part A) of the Income Tax Ordinance, 1984. Country's Finance Act and Government's tax policies will always determine the tax benefit from investment in mutual funds. Investors are also eligible for tax rebate on their investment amount under section 44(2) (c) of the Income Tax Ordinance (ITO) 1984, amended in 2016.

6.4. Rights of the Unit Holders

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

- Voting Rights:** All the unit holders shall have usual voting rights. Voting right can be exercised in person or by proxy in a meeting held in connection with any proposal to amend the characteristics of the fund or any other agenda of meeting called by the Trustee in the circumstances mentioned in the Trust Deed or সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১. In case of show of hands, every unit holder presents 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.
- Transfer of Units:** Units of the fund are transferrable by way of inheritance/ gift and/or by specific operation of law.

3. Dividend: All the unit holders have equal but proportionate right with respect to dividend. Dividend will be paid in Bangladeshi Taka only.
4. Periodic Information: All the Unit holders of the fund shall have the right to receive the Annual Report & Audited Accounts of the fund. The Fund will calculate their NAV at the end of each week. Weekly NAV of the fund is to be notified to the Unit holders through the website of the Asset Manager (www.gmequity.com.bd) and as a press release to 1 (one) daily national newspaper which covers capital market news.
5. Accounts and Information: The Fund's financial year will be closed on June 30th of every calendar year or as determined by the Commission. Annual report or abridged version of audited financial statements in line with schedule VI of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ will be published within 45 (forty-five) days from the closure of each accounting year.

6.5. Beneficial Interest

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

Chapter 7. UNIT SUBSCRIPTION

7.1. Terms and Conditions of Unit Subscription

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

Chapter 8. SALES AGENTS

8.1. Selling Agents

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

SI No.	Name of the Selling Agents	Business Type
a	Green Delta Securities Limited (GDSL)	Stock Brokerage House

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

8.2. Detail Address of Selling Agents

SI No.	Branch Name	Address	Contact
1	Corporate Office	Green Delta AIMS Tower (2nd Floor) 51-52, Mohakhali C/A Dhaka-1212	Fax: +88 02 222298340 Phone: +88 02 222298367 Email: info@gdslbd.com
2	Head Office & Principal Branch	Al Haj Tower, (4th Floor), South side, 82, Motijheel C/A Dhaka-1000	Tel: +88 02 9567505 Fax: +88 02 9567548 Phone: +88 01971405238 Email: a.malek@gdslbd.com
3	Gulshan Branch	Giasuddin Tower (3rd Floor) 31, Gulshan Avenue, Gulshan-1, Dhaka-1212	Phone: +88 01614009092 Email: islam@gdslbd.com
4	Agrabad (CTG) Branch	Makka Madina Trade Center (3rd Floor) 78, Agrabad C/A, Chattogram-4100	Tel: +88 02 333317845/46, Fax: +88 02 333314693 Phone: +88 01920684862 Email: mashiur@gdslbd.com
5	Sylhet Branch	JR Tower, (2nd floor), Jail Road, Sylhet	Tel: +88 0821711483 Fax: +880 821714255 Phone: +88 01611507991 Email: alamgir@gdslbd.com
6	Nasirabad (CTG) Branch	Avenue Center (6th Floor), 787/A, CDA Avenue, East Nasirabad, Chattogram	Phone: +88 01938707271 Email: gargi@gdslbd.com
7	Uttara Branch	Plot 31, Road 2, Sector 5, Uttara, Dhaka 1230	Phone: +88 01612796266 Email: saydur@gdslbd.com
8	Head Office Extension Dhanmondi	Plot 2, House 74, (2nd Floor North Side) Bikalpo Tower, Road 5/A, Dhanmondi, Dhaka 1209	Phone: +88 01404047803

8.3. Banker

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

Account Name: GM EQUITY 1ST MUTUAL FUND

Account Number: 0010 13100001680

Bank Name: Southeast Bank Limited

Branch: Gulshan Branch

8.4. Forms

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

- a. Application Form to Purchase Units, Individual (FORM 101)
- b. Application Form to Purchase Units, Institution (FORM 102)
- c. Application Form to Surrender/Repurchase Units (FORM 103)
- d. Application Form to Transfer Units (FORM 104)

GM EQUITY 1st MUTUAL FUND
 Asset Manager: GM Equity Limited
APPLICATION FORM TO PURCHASE UNITS – INDIVIDUAL

To
 Managing Director
 GM Equity Limited
 Concord Baksh Tower; 11th Floor, Unit No. 11-B;
 Plot No. # 11/A, Road No. 48, Block – CWN,
 Kamal Ataturk Avenue, Gulshan-2, Dhaka – 1212.

For Official Use Only

Registration No.:
 Folio No.:
 Selling Agent Name:
 Selling Agent ID:

*(Investors are advised to read 'Terms and Conditions' carefully, Please fill up this form in **BLOCK LETTERS**)*

I/we would like to purchase units of GM EQUITY 1st MUTUAL FUND at a price of BDT
 per unit, prevailing on the sale date **DD - MM - YYYY**. I/we enclosed the Cheque/P.O./D.D. No.
 Bank Branch for an amount of BDT
 (In words: Taka only) with this application.

Principal Applicant

Name

Father/Spouse Name: Mother Name:

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

Address:

Phone No.: Email: E-TIN No.:

Bank: A/C No.: Branch:

Routing No.: BO A/C No.: Registration No. (If any):

Residency: ☐ Bangladeshi ☐ Non-Resident: Dividend Option: ☐ Cash ☐ Cumulative Investment Plan

Investment Option: ☐ SIP ☐ Non-SIP No. of Units Held (If any):

Joint Applicant (If any)

Name

Father/Spouse Name: Mother Name:

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

Address:

Phone No.: Email: E-TIN No.:

Bank: A/C No.: Branch:

Routing No.: BO A/C No. (If any): Registration No. (If any):

Residency: ☐ Bangladeshi ☐ Non-Resident: Dividend Option: ☐ Cash ☐ Cumulative Investment Plan

Investment Option: ☐ SIP ☐ Non-SIP No. of Units Held (If any):

Documents Enclosed

☐ National ID/Birth Certificate/Passport (Applicant and Nominee) ☐ E-TIN Certificate (Applicant) ☐ BO Acknowledgement
☐ Passport Size Color Photograph (Applicant: 2 copies, Nominee: 1 copy) ☐ Photocopy of Blank Undated Cheque Leaf/ Bank Statement



Acknowledgement Receipt of GM EQUITY 1st MUTUAL FUND
(For Official Use Only)

Certified that this selling agent/GM Equity Ltd has received a Cheque/P.O./D.D. No. Bank
 Branch for an amount of BDT
 (In words: Taka only) from Mr./Mrs./Ms.
 being the application money for GM EQUITY 1st MUTUAL FUND.
 Folio No.: Date: **DD - MM - YYYY**

Seal of Selling Agent/AMC and Date

Signature of Authorized Person and Date

PLEASE KEEP THIS DOCUMENT SECURE

Name									
Father/Spouse Name:					Mother Name:				
NID/Passport No.:					Date of Birth: DD - MM - YYYY		Occupation:		
Address:							Nationality:		
Phone No.:			Email:			E-TIN No.:			
Relationship with Principal Applicant:					BO A/C No. (If any):				

**Principal Applicant's
Photograph**

Principal Applicant's
Photograph

Joint Applicant's Photograph

Joint Applicant's
Photograph

**Nominee's Photograph
Attested by Principal
Applicant**

Nominee's Photograph
Attested by Principal
Applicant

Registration No.:

Folio No.

Confirmation of Unit Allocation No.:

No. of Units:

Issuing Officer Sign, Seal & Stamp

1. The units of "GM Equity 1st Mutual Fund", hereinafter referred to as the Fund, may be bought/surrendered through GM Equity Ltd. and authorized selling agents appointed by GM Equity Ltd. from time to time. Surrender of units is allowed through GM Equity Ltd. or the selling agent from which the units are originally purchased.
2. Application must be made by individual (both resident and non-resident), institution or company (both local and foreign), trust or a society (registered in or outside of Bangladesh), general public, other eligible investors and not by a firm, minor or persons of unsound mind.
3. Joint application by two persons is acceptable for individual. In this case, registration and Confirmation of Unit Allocation will be in favor of principal applicant while dividend and other benefits, if any, will be addressed to bank account of principal applicant mentioned in the application form. In case of the death of any of the joint holders, only the survivor shall be recognized as having any title to the units. On death of both the joint holders, the units will bestow upon the nominee mentioned in the application form.
4. Minimum purchase quantity for individual investors is 500 (Five hundred) units and for institutional investors is 5,000 (Five thousand) units.
5. Application for purchase of units should be accompanied by an account payee cheque/pay order/bank draft/online fund transfer in favor of "GM Equity 1st Mutual Fund" for the total value of units.
6. After clearance/encashment of cheque/draft/pay order the applicant will be issued with a Confirmation of Unit Allocation for every purchase with a denomination of number of units proportionate to the prevailing sales price of units of that week. Units will be delivered to the unit holder's BO A/C in demat form.
7. Partial surrender (fraction of total units held under a Confirmation of Unit Allocation) is allowed without any additional cost subject to minimum surrender quantity is 500 (Five Hundred) units for individuals and 5,000 (Five thousand) units for institutions. Upon partial surrender, the unit holder will be issued with a new Confirmation of Unit Allocation representing the balance of her/his unit holding.
8. Surrender of the Units should be done by transferring Units from Unit Holder's BO Account to Fund's designated BO Account. Units can be surrendered on all business days except the last business day of the week and during the book closure periods/record date of the Fund.
9. 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 GM Equity from time to time except in the case of transfer by way of inheritance.
10. Dividend may be delivered in cash or by way of units under Cumulative Investment Plan (CIP) as the applicant gives option in the application form.
11. All payments /receipts in connection with or arising out of transactions in the Units hereby applied for shall be in Bangladeshi Taka (BDT).

DD - MM - YYYY

Principal Applicant

Principal Applicant

DD - MM - YYYY

Joint Applicant (if any)

Joint Applicant (if any)

DD - MM - YYYY

Nominee

Nominee

S.L.	Confirmation of Unit Allocation	Number of Unit Issued	Price	Total Value
1				
2				

I/we confirm that, I/we have received the Confirmation of Unit Allocation mentioned above and also that I/we have agree to abide by the terms cited above as may be altered, replaced and modified from time to time by GM Equity Limited.

Date: DD - MM - YYYY

Principal Applicant

Joint Applicant (if any)

GM EQUITY 1st MUTUAL FUND
 Asset Manager: GM Equity Limited
APPLICATION FORM TO PURCHASE UNITS – INSTITUTION



To
 Managing Director
 GM Equity Limited
 Concord Baksh Tower; 11th Floor, Unit No. 11-B;
 Plot No. # 11/A, Road No. 48, Block – CWN,
 Kamal Ataturk Avenue, Gulshan-2, Dhaka – 1212.

For Official Use Only

Registration No.:
 Folio No.:
 Selling Agent Name:
 Selling Agent ID:

*(Investors are advised to read 'Terms and Conditions' carefully, Please fill up this form in **BLOCK LETTERS**)*

I/we would like to purchase units of GM EQUITY 1st MUTUAL FUND at a price of BDT
 per unit, prevailing on the sale date **DD - MM - YYYY**. I/we enclosed the Cheque/P.O./D.D. No.
 Bank Branch for an amount of BDT
 (In words: Taka only) with this application.

Details of the Institution

Name of Institution

Type of Institution: ☐ Local Company ☐ Foreign Company ☐ Society ☐ Trust ☐ Other:

Institution's Registration No.: E-TIN No.:

Registered Address:

Name of MD/CEO:

Contact Person: Phone No.(1):

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

Bank: Branch: Routing No.:

A/C No.: BO A/C No.:

Registration No. (If any): Units Held (If any):

Investment Option: ☐ SIP ☐ Non-SIP Dividend Option: ☐ Cash ☐ Cumulative Investment Plan

Details of Authorized Person(s), if any:

Sl.	Name	Designation	Signature	Contact No.
1 st				
2 nd				
3 rd				

Mode of Operation: Single by (Select one): ☐ 1st ☐ 2nd ☐ 3rd Jointly by: ☐ 1st ☐ 2nd ☐ 3rd



Acknowledgement Receipt of GM EQUITY 1st MUTUAL FUND
(For Official Use Only)

Certified that this selling agent/GM Equity Ltd has received a Cheque/P.O./D.D. No.
 Bank Branch for an amount of BDT
 (In words: Taka only) from the
 being the application money for GM EQUITY 1st MUTUAL FUND.

Folio No.:

Date: **DD - MM - YYYY**

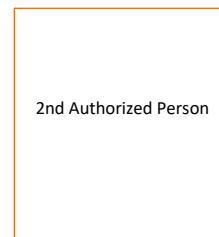
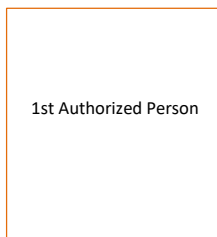
Seal of Selling Agent/AMC and Date

Signature of Authorized Person and Date

PLEASE KEEP THIS DOCUMENT SECURE

Documents Enclosed

- ☐ Memorandum and Article of Association
 ☐ Certificate of Incorporation
 ☐ Extract of Board Resolution
☐ Power of Attorney in Favor of Authorized Person(s)
 ☐ Trade License/Trust Deed
 ☐ E-TIN Certificate
☐ Bank Account Certificate/Photocopy of Blank Undated Cheque Leaf/Bank Statement

Photographs**OFFICIAL USE ONLY**

Registration No.:

Folio No.

Confirmation of Unit Allocation No.:

No. of Units:

Issuing Officer Sign, Seal & Stamp

Terms and Conditions

- The units of "GM Equity 1st Mutual Fund", hereinafter referred to as the Fund, may be bought/surrendered through GM Equity Ltd. and authorized selling agents appointed by GM Equity Ltd. from time to time. Surrender of units is allowed through GM Equity Ltd. or the selling agent from which the units are originally purchased.
- Application must be made by individual (both resident and non-resident), institution or company (both local and foreign), trust or a society (registered in or outside of Bangladesh), general public, other eligible investors and not by a firm, minor or persons of unsound mind.
- Joint application by two persons is acceptable for individual. In this case, registration and Confirmation of Unit Allocation will be in favor of principal applicant while dividend and other benefits, if any, will be addressed to bank account of principal applicant mentioned in the application form. In case of the death of any of the joint holders, only the survivor shall be recognized as having any title to the units. On death of both the joint holders, the units will bestow upon the nominee mentioned in the application form.
- Minimum purchase quantity for individual investors is 500 (Five hundred) units and for institutional investors is 5,000 (Five thousand) units.
- Application for purchase of units should be accompanied by an account payee cheque/pay order/bank draft/online fund transfer in favor of "GM Equity 1st Mutual 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 purchase with a denomination of number of units proportionate to the prevailing sales price of units of that week. Units will be delivered to the unit holder's BO A/C in demat form.
- Partial surrender (fraction of total units held under a Confirmation of Unit Allocation) is allowed without any additional cost subject to minimum surrender quantity is 500 (Five Hundred) units for individuals and 5,000 (Five thousand) units for institutions. Upon partial surrender, the unit holder will be issued with a new Confirmation of Unit Allocation representing the balance of her/his unit holding.
- Surrender of the Units should be done by transferring Units from Unit Holder's BO Account to Fund's designated BO Account. Units can be surrendered on all business days except the last business day of the week and during the book closure periods/record date of the Fund.
- 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 GM Equity from time to time except in the case of transfer by way of inheritance.
- Dividend may be delivered in cash or by way of units under Cumulative Investment Plan (CIP) as the applicant gives option in the application form.
- All payments /receipts in connection with or arising out of transactions in the Units hereby applied for shall be in Bangladeshi Taka (BDT).

Applicants Signature with Date

DD - MM - YYYY

MD/CEO

DD - MM - YYYY

1st Authorized Person

DD - MM - YYYY

2nd Authorized Person

For Official Use Only

S.L.	Confirmation of Unit Allocation	Number of Unit Issued	Price	Total Value
1				
2				

I/we confirm that, I/we have received the Confirmation of Unit Allocation mentioned above and also that I/we have agree to abide by the terms cited above as may be altered, replaced and modified from time to time by GM Equity Limited.

Date: DD - MM - YYYY

MD/CEO

1st Authorized Person

2nd Authorized Person

GM EQUITY 1st MUTUAL FUND
 Asset Manager: GM Equity Limited
APPLICATION FORM TO SURRENDER / REPURCHASE UNITS

To
 Managing Director
 GM Equity Limited
 Concord Baksh Tower; 11th Floor, Unit No. 11-B;
 Plot No. # 11/A, Road No. 48, Block – CWN,
 Kamal Ataturk Avenue, Gulshan-2, Dhaka – 1212.

For Official Use Only

Registration No.:
 Folio No.:
 Selling Agent Name:
 Selling Agent ID:

*(Investors are advised to read 'Terms and Conditions' carefully, Please fill up this form in **BLOCK LETTERS**)*

I/we address
 (if changed) am/are the holder(s) of units
 of GM EQUITY 1st MUTUAL FUND. At the current Repurchase/Surrender price of BDT per unit of GM
 EQUITY 1st MUTUAL FUND on DD - MM - YYYY as declared by GM Equity Limited, I/we would like to
 Surrender/Repurchase units. My/our Surrender/Repurchase request is summarized below:

Surrender/Repurchase Request:

Sl	Confirmation of Unit Allocation No.	Number of Units held under this Allocation No.	Details on Units to be Surrendered		
			Number of Units	Surrender/Repurchase Price (In BDT/Unit)	Total Surrender Value (In BDT)
1					
2					
3					
4					

Documents Enclosed

☐ Confirmation of Unit Allocation(s) (Original copies) ☐ Others

Applicants Contact Number

Phone No.:



Acknowledgement Receipt of GM EQUITY 1st MUTUAL FUND
(For Official Use Only)

Received the Confirmation of Unit Allocation for surrender/partial surrender request as mentioned below:

Registration No.: Holding Quantity Surrender Quantity

1. Confirmation of Unit Allocation No. Quantity Surrendered Quantity

2. Confirmation of Unit Allocation No. Quantity Surrendered Quantity

Folio No.:

Date: DD - MM - YYYY

Seal of Selling Agent/AMC and Date

Signature of Authorized Person and Date

PLEASE KEEP THIS DOCUMENT SECURE

OFFICIAL USE ONLY

Cheque No.: Date: DD - MM - YYYY

Bank Name:

Branch Name: Routing No.:

Amount BDT:

Amount in words:taka only.

For Balance Units, in case of partial surrender,

Registration No.:

Folio No.:

Confirmation of Unit Allocation No.:

Number of Units:

Issuing Officer Sign, Seal & Stamp

Terms and Conditions

1. The units of "GM Equity 1st Mutual Fund", hereinafter referred to as the Fund, may be bought and surrender through GM Equity Ltd and authorized selling agents appointed by GM Equity Ltd from time to time.
2. Units may be surrender on all working days except last working day of the week, during the book closure period, and record date of the Fund.
3. Minimum surrender quantity for individual investors is 500 (Five hundreds) units and for institutional investors is 5,000 (Five thousands) units.
4. Partial surrender (A fraction of total units held under a Confirmation of Unit Allocation) is allowed without any additional cost subject to minimum surrender quantity is 500 (Five Hundreds) units for individuals and 5,000 (Five thousands) units for institutions. Upon partial surrender, the unit holder will be issued with a new Confirmation of Unit Allocation representing the balance of his unit holding.
5. Unit holder is required to attach the Confirmation of Unit Allocation(s) he/she/the institution wants to surrender along with this surrender/repurchase form.
6. After verification of authenticity of Confirmation of Unit Allocation(s), account payee cheque for surrender amount will be issued in favor of unit holder within maximum of five (5) working days. In case of joint holding, account payee cheque will be issued in favor of principal holder.

I/we have attached herewith the above mentioned unit allocation confirmation(s). Kindly issue an account payee cheque in favor of me/us for the Total Surrender Value and issue a Confirmation of Unit Allocation for the balance units, if any.

Date: DD - MM - YYYY

 Signature of Unit Holder(s)/ Principal Applicant/
 1st Authorized Person

 Signature of Unit Holder(s)/ Joint Applicant/
 2nd Authorized Person
Witness

1. Signature

Name:

Father/Spouse Name:

Address & Phone:

2. Signature

Name:

Father/Spouse Name:

Address & Phone:

For Official Use Only

S.L.	Confirmation of Unit Allocation (For Balance Units, in case of partial surrender)	Number of Units
1		
2		

I/we confirm that, I/we have received the cheque/BEFTN/pay order/instrument no.
 against my/our surrender request in GM EQUITY 1st MUTUAL FUND.

Date: DD - MM - YYYY

Signature of Unit Holder(s)

GM EQUITY 1st MUTUAL FUND
 Asset Manager: GM Equity Limited
APPLICATION FORM TO TRANSFER UNITS



To
 Managing Director
 GM Equity Limited
 Concord Baksh Tower; 11th Floor, Unit No. 11-B;
 Plot No. # 11/A, Road No. 48, Block – CWN,
 Kamal Ataturk Avenue, Gulshan-2, Dhaka – 1212.

For Official Use Only

Registration No.:
 Folio No.:
 Selling Agent Name:
 Selling Agent ID:

*(Investors are advised to read 'Terms and Conditions' carefully, Please fill up this form in **BLOCK LETTERS**)*

Transferor

I/we, address (if changed)
, hereinafter referred to as Transferor, am/are the unit holder(s) of
 units of GM EQUITY 1st MUTUAL FUND. I/we would like to transfer units (in words
 units) to the following person/institution, hereinafter referred to as Transferee:

Transferee (For Individual)

Name

 Father/Spouse Name: Mother Name:
 NID/Passport No.: Date of Birth: DD - MM - YYYY Occupation:
 Address:
 Phone No.: Email: E-TIN No.:
 Bank: A/C No.: Branch:
 Routing No.: BO A/C No.: Registration No. (If any):
 Residency: ☐ Bangladeshi ☐ Non-Resident: Dividend Option: ☐ Cash ☐ Cumulative Investment Plan
 Investment Option: ☐ SIP ☐ Non-SIP No. of Units Held (If any):

** If Transferee is Institution, please fill up detail information in next page.*

Documents Enclosed

☐ Confirmation of Unit Allocation(s) (Original copies) Others:
If Individual:
☐ National ID/Birth Certificate/Passport (Transferee) ☐ E-TIN Certificate (Transferee) ☐ BO Acknowledgement
☐ Passport Size Color Photograph (Applicant: 2 copies, Nominee: 1 copy) ☐ Photocopy of Blank Undated Cheque Leaf/ Bank Statement
If Institution:
☐ Memorandum and Article of Association ☐ Certificate of Incorporation ☐ Extract of Board Resolution
☐ Power of Attorney in Favor of Authorized Person(s) ☐ Trade License/Trust Deed ☐ E-TIN Certificate (Transferee)
☐ Bank Account Certificate/Photocopy of Blank Undated Cheque Leaf/Bank Statement

Means of Transfer

☐ Inheritance ☐ Gift ☐ Operation of Law ☐ Others

Witness

1. Signature Name: Father/Spouse Name: Address & Phone:	2. Signature Name: Father/Spouse Name: Address & Phone:
--	--

GM EQUITY LIMITED
Dream Unlimited

Acknowledgement Receipt of GM EQUITY 1st MUTUAL FUND
(For Official Use Only)

Certified that this selling agent/GM Equity Ltd has received a request for transferring
 Units of GM EQUITY 1st MUTUAL FUND from to
 Folio No.: Date: DD - MM - YYYY

Seal of Selling Agent/AMC and Date

Signature of Authorized Person and Date

PLEASE KEEP THIS DOCUMENT SECURE

Transferee (* If Institution)
 Name of Institution

 Type of Institution: ☐ Local Company ☐ Foreign Company ☐ Society ☐ Trust ☐ Other:

Registration No.: E-TIN No.:

Registered Address:

Name of MD/CEO:

Contact Person: Phone No.(1):

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

Bank: Branch: Routing No.:

A/C No.: BO A/C No.:

Registration No. (If any): Units Held (If any):

 Investment Option: ☐ SIP ☐ Non-SIP

 Dividend Option: ☐ Cash ☐ Cumulative Investment Plan
Details of Authorized Person(s), if any:

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

 Mode of Operation: Single by (Select one): ☐ 1st ☐ 2nd ☐ 3rd Jointly by: ☐ 1st ☐ 2nd ☐ 3rd
Photographs of Transferee
 Principal Applicant's
 Photograph (Individual
 Transferee) / MD or
 CEO (Institution
 Transferee)

 1st Authorized Person
 (If Institution)

 2nd Authorized Person
 (If Institution)
OFFICIAL USE ONLY

Transferee's Registration No.:

Folio No.

Confirmation of Unit Allocation No.:

No. of Units:

Certificate No.:

Issuing Officer Sign, Seal & Stamp

Terms and Conditions

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

Applicants Signature with Date
 _____ DD - MM - YYYY
 Transferor

 _____ DD - MM - YYYY
 Transferee
For Official Use Only

S.L.	Confirmation of Unit Allocation	Number of Unit Transferred	Certificate No.
1			
2			

I/we confirm that, I/we have received the Confirmation of Unit Allocation mentioned above and agree to accept and take the said Confirmation of Unit Allocation on the same terms and conditions on which they were held by the said Transferor.

Date: DD - MM - YYYY

Signature of Transferee

Concord Baksh Tower
11th Floor, Unit 11-B
Plot 11/A, Road 48, Block – CWN
Kamal Ataturk Avenue, Gulshan-2,
Dhaka-1212, Bangladesh.

Hot line : +88 01730 393342
Telephone : +880 2 41080760-64
E-mail : info@gmequity.com.bd
Web : www.gmequity.com.bd



GM EQUITY LIMITED
Dream Unlimited