

# Prospectus CAPM IBBL Islamic Mutual Fund

“A Riba (Interest) Free Progressive Investment Instrument”



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 CAPM IBBL ISLAMIC 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.



**CAPM (Capital & Asset Portfolio Management) Company Limited**  
**Asset Manager**





“শেয়ার বাজারে বিনিয়োগ ঝুঁকিপূর্ণ, জেনে ও বুঝে বিনিয়োগ করুন।”

## Prospectus

### CAPM IBBL Islamic Mutual Fund

|                         |   |
|-------------------------|---|
| Total Issue Size:       | 80,000,000 Units of Tk. 10.00 each at par for Tk. 80.00 Crore |
| Sponsor's Contribution: | 50,000,000 Units of Tk. 10.00 each at par for Tk. 50.00 Crore |
| Public Offer:           | 30,000,000 Units of Tk. 10.00 each at par for Tk. 30.00 Crore |

#### Parties of CAPM IBBL Islamic Mutual Fund

##### Asset Manager

CAPM (Capital & Asset Portfolio Management) Company Limited

##### Sponsor

Islami Bank Bangladesh Limited

##### Trustee

Investment Corporation of Bangladesh

##### Custodian

Investment Corporation of Bangladesh

#### Details of Public Offer

|                            |  |
|----------------------------|--|
| Reserved for mutual funds: | 3,000,000 units of Tk. 10 each at par for Tk. 30,000,000/-   |
| Other eligible investors:  | 12,000,000 units of Tk. 10 each at par for Tk. 120,000,000/- |
| Non-Resident Bangladeshi:  | 3,000,000 units of Tk. 10 each at par for Tk. 30,000,000/-   |
| General Public:            | 12,000,000 units of Tk. 10 each at par for Tk. 120,000,000/- |

#### Subscription Period

Subscription Opens: 10 December 2017

Subscription Closes (Cut-Off): 18 December 2017

**THE SPONSOR, AMC OR THE FUND IS NOT GUARANTEEING ANY RETURNS**

Date of publication of Prospectus: 14 November 2017

The Fund shall apply for listing with both the Stock Exchanges. The Issue/Fund shall be placed in "A" category. The investors are advised, in their own interest, to carefully read the contents of the Prospectus, in particular the Risk Factors in Clause 5.1 before making any investment decision.

If you have any queries about this document, you may consult the Asset Manager.

## Fund Directory

|                |   |                                 |   |
|----------------|---|---------------------------------|---|
| <b>Sponsor</b> | <b>Islami Bank Bangladesh Limited</b><br>Islami Bank Tower<br>40, Dilkusha C/A<br>Dhaka – 1000, Bangladesh<br>Website: www.islamibankbd.com           | <b>Asset Management Company</b> | <b>CAPM Company Limited</b><br>Rupsha Tower (Flat – C4)<br>Plot-07, Road-17, Banani C/A<br>Dhaka-1213, Bangladesh<br>Website: www.capmbd.com          |
| <b>Trustee</b> | <b>Investment Corporation of Bangladesh</b><br>BDBL Building (12-15th Floors) 8, Rajuk Avenue,<br>Dhaka-1000<br>Bangladesh<br>Website: www.icb.org.bd | <b>Custodian</b>                | <b>Investment Corporation of Bangladesh</b><br>BDBL Building (12-15th Floors)<br>8, Rajuk Avenue, Dhaka-1000<br>Bangladesh<br>Website: www.icb.org.bd |
| <b>Auditor</b> | <b>Rahman Mostafa Alam &amp; Co.</b> Paramount Heights (7th Floor, D2 & C1) 65/2/1 Box Culvert Road<br>Purana Paltan, Dhaka-1000<br>Bangladesh        | <b>IPO Collectors</b>           | All eligible TREC Holders and Merchant Bankers shall receive the IPO Subscription   |

Note: For Prospectus, Query or Clarification or any other Information, please contact the following Corporate Office of the Asset Management Company:

|  |   |
|--|---|
| <b>Corporate office of Asset Manager</b> | <b>CAPM Company Limited</b><br>Safura Tower (5th Floor)<br>20 Kemal Ataturk Avenue<br>Banani C/A, Dhaka-1205, Bangladesh<br>Phone: +880 2 9856268-9, Fax: +880 2 9820990<br>E-mail: contact@capmbd.com, Website: www.capmbd.com |
|--|---|

## Table of Contents

|          | Sl. No.              | Topic  | Page Number |
|----------|----------------------|--|-------------|
| Part – A | 1                    | Definition and Elaboration of Abbreviated Terms              | 01-02       |
|          | 2                    | Fund Highlights  | 03          |
| Part - B | <b>1</b>             | <b>Preliminary</b>   |             |
|          | 1.1                  | Publication of Prospectus for Public Offering                | 04          |
|          | 1.2                  | Consent of the Bangladesh Securities and Exchange Commission | 04          |
|          | 1.3                  | Listing of the Fund  | 04          |
|          | 1.4                  | Availability of Documents for Inspection                     | 04-05       |
|          | 1.5                  | Conditions for Public Offer                                  | 05-13       |
|          | 1.6                  | Subscription   | 13          |
|          | 1.7                  | Declaration of Responsibilities                              | 14-15       |
|          | 1.7.1                | Declaration about the Responsibility of the Sponsor          | 14          |
|          | 1.7.2                | Declaration about the Responsibility of the Trustee          | 14          |
|          | 1.7.3                | Declaration about the Responsibility of the Custodian        | 15          |
|          | 1.7.4                | Declaration about the Responsibility of the Asset Manager    | 15          |
|          | 1.8                  | Due Diligence Certificates                                   | 16-19       |
|          | 1.8.1                | Due Diligence Certificate of the Sponsor                     | 16          |
|          | 1.8.2                | Due Diligence Certificate of the Trustee                     | 17          |
|          | 1.8.3                | Due Diligence Certificate of the Custodian                   | 18          |
|          | 1.8.4                | Due Diligence Certificate of the Asset Manager               | 19          |
|          | <b>2</b>             | <b>Background and Investment Benefits</b>                    |             |
|          | 2.1                  | Preamble to Formation of CAPM IBBL Islamic Mutual Fund       | 20          |
|          | 2.2                  | Necessity of CAPM IBBL Islamic Mutual Fund                   | 20-21       |
|          | 2.3                  | Advantages of Investing in CAPM IBBL Islamic Mutual Fund     | 21-23       |
|          | <b>3</b>             | <b>The Fund</b>  |             |
|          | 3.1                  | Formation of the Fund  | 24          |
|          | 3.2                  | Life of the Fund   | 24          |
|          | 3.3                  | Size of the Fund   | 24          |
|          | 3.4                  | Face Value and Denomination of the Fund                      | 24          |
|          | <b>4</b>             | <b>Investment Objectives and Policies</b>                    |             |
| 4.1      | Investment Objective | 25   |             |

|          |   |       |
|----------|---|-------|
| 4.2      | Important Policies Regarding Investments and Operations         | 25-26 |
| 4.3      | Investment Restrictions   | 27    |
| 4.4      | Valuation Policy  | 27-28 |
| 4.5      | Investment Management   | 28    |
| 4.6      | Dividend Policy   | 28    |
| <b>5</b> | <b>Risk Management</b>  |       |
| 5.1      | Risk Factors  | 29    |
| 5.2      | Risk Control Approaches   | 30    |
| 5.3      | Expected Market Performance of the Fund                         | 30    |
| 5.4      | Who should Invest and How Much to Invest                        | 30    |
| <b>6</b> | <b>Formation, Management and Administration of the Fund</b>     |       |
| 6.1      | The Sponsor   | 31    |
| 6.2      | The Trustee and Custodian                                       | 31-32 |
| 6.3      | The Asset Manager   | 32    |
| 6.3.1    | Fund Management Performance of CAPM                             | 33-35 |
| 6.3.2    | Key Officials of CAPM   | 36    |
| 6.3.3    | Investment Process of the Fund                                  | 37    |
| 6.3.4    | Investment Philosophy of the Fund                               | 38    |
| 6.3.5    | Risk Management Process of the Fund                             | 39    |
| 6.3.6    | Expected Asset Allocation of the Fund                           | 40    |
| 6.4      | The Shariah Advisory Board                                      | 40-41 |
| 6.5      | The Auditor   | 41    |
| <b>7</b> | <b>Financial Charges</b>  |       |
| 7.1      | Limitation of Expenses  | 42    |
| 7.2      | Fees and Expenses   | 42-45 |
| <b>8</b> | <b>Capital Structure, Tax Status and Rights of Unit Holders</b> |       |
| 8.1      | Size of the Issue   | 46    |
| 8.2      | Sponsor's Subscription  | 46    |
| 8.3      | Public Offer  | 46    |
| 8.4      | Tax Status  | 47    |
| 8.5      | Rights of the Unit Holders                                      | 47    |
| <b>9</b> | <b>Winding Up, Redemption and Conversion</b>                    |       |
| 9.1      | Effect of Winding Up  | 48    |
| 9.2      | Procedure of winding Up   | 48    |
| 9.3      | Manner of Winding Up  | 48    |
| 9.4      | Conversion  | 48    |

|           |   |       |
|-----------|---|-------|
| <b>10</b> | <b>Conditions for Public Offer, Allotment, Subscription and Refund of Units</b> |       |
| 10.1      | Issue of Units  | 49    |
| 10.2      | Minimum Subscription for the Issue  | 49    |
| 10.3      | Conditions for Allotment  | 49-50 |
| 10.4      | Application for Subscription  | 50-51 |
| 10.5      | Allotment   | 51    |
| <b>11</b> | <b>Application for Subscription of Units during IPO</b>                         |       |
| 11.1      | List of Stock Broker/Merchant Bankers to Receive IPO Application                | 52-57 |
| 11.2      | Application/Buy Instruction Form  | 58    |

## Abbreviations and Definitions

| Term  | Abbreviations and Definitions   |
|---|---|
| বিধিমালা/Rules                              | সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১।  |
| Act   | Bangladesh Securities and Exchange Commission Act, 1993 and its amendments that have been made from time to time.   |
| Allotment                                   | Letter of Allotment for Units   |
| AMC/Asset Management Company /Asset Manager | The CAPM (Capital & Asset Portfolio Management) Company Limited   |
| Applicable Law                              | The laws and any other instrument having the force of law in Bangladesh, as they may be issued and remain in force from time to time.                       |
| BAS   | Bangladesh Accounting Standards   |
| BSA   | Bangladesh Standards on Auditing  |
| BO A/C                                      | Beneficiary Owner's Account or Depository Account   |
| BSEC  | Bangladesh Securities and Exchange Commission   |
| CAPM  | CAPM (Capital & Asset Portfolio Management) Company Limited   |
| CDBL  | Central Depository Bangladesh Ltd. established under the ডিপজিটরি আইন, ১৯৯৯ (১৯৯৯ সনের ৬ নং আইন)  |
| CEO   | Chief Executive Officer   |
| Certificate                                 | Unit Certificate of the Fund  |
| Commission                                  | Bangladesh Securities and Exchange Commission   |
| Cheque                                      | All payment instruments (Cheque/Pay Order/Other Cash Instrument) should be Magnetic Ink Character Recognition (MICR) coded as per the Bangladesh Bank Rules |
| Companies Act                               | Companies Act 1994  |
| CSE   | Chittagong Stock Exchange   |
| Custodian                                   | Custodian means the Investment Corporation of Bangladesh (ICB)  |
| DSE   | Dhaka Stock Exchange  |
| EPS/U                                       | Earnings Per Share/Unit   |
| EUR   | The Euro  |
| FC Account                                  | Foreign Currency Account  |
| GBP   | The Pound Sterling  |
| IBBL  | Islami Bank Bangladesh Limited  |

|                                |  |
|--------------------------------|--|
| IPO                            | Initial Public Offer   |
| Issue                          | Public Issue   |
| ISA                            | International Standards on Auditing  |
| NAV                            | Net Asset Value of the Fund  |
| NBFI                           | Non-Banking Financial Institutions   |
| Net Assets                     | The excess of Assets over Liabilities of the Fund, computed in the manner specified in the বিধিমালা.   |
| NAV per Unit                   | NAV (Net Asset Value) means per unit value of the Fund arrived at by dividing the net Assets by the number of units outstanding of the Fund.   |
| NITA                           | Non-Resident Investor's Taka Accounts  |
| NRB                            | Non-Resident Bangladeshis means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they have a valid Bangladeshi passport) or those, whose foreign passport bear a stamp from the concerned Bangladesh Embassy/High Commission to the effect that no visa is required to travel to Bangladesh |
| Offering Price                 | Price of the Securities of the Fund being offered  |
| RJSC                           | Registrar of Joint Stock Companies and Firms   |
| Reinvestment                   | Reinvestment means distribution of fund's profit through issuing new units based on latest NAV or amended by BSEC time to time.  |
| Scheme                         | Scheme means the CAPM IBBL Islamic Mutual Fund.  |
| Sponsor                        | Sponsor means the Islami Bank Bangladesh Limited.  |
| TREC                           | Trading Right Entitlement Certificate  |
| Trust                          | Trust means the -Trust constituted by this Deed of Trust in accordance with the provisions of Trust Act, 1882(Act II of 1882).   |
| Trustee                        | Trustee means Investment Corporation of Bangladesh (ICB).  |
| Unit                           | Unit means one undivided share of the Fund.  |
| Unit Holder(s)/Share Holder(s) | Unit Holder(s) or Share Holder(s) means unit holders of the mutual fund whose name appears on the register of the Fund for the time being.   |
| USD                            | US Dollar  |





## Fund Highlights

|                         |  |
|-------------------------|--|
| Fund Name               | CAPM IBBL Islamic Mutual Fund  |
| Face Value & Market Lot | Tk. 10.00 (Taka Ten) per Unit & 500 units per lot  |
| Nature                  | Shariah based Closed-End Mutual Fund with Definite Life & Limited Size which might be increased through complying সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১  |
| Sponsor                 | Islami Bank Bangladesh Limited (IBBL)  |
| Trustee                 | Investment Corporation of Bangladesh (ICB)   |
| Custodian               | Investment Corporation of Bangladesh (ICB)   |
| Asset Manager           | CAPM (Capital & Asset Portfolio Management) Company Limited  |
| Auditor                 | Rahman Mostafa Alam & Co., Chartered Accountants   |
| Fund Size               | Tk. 800,000,000.00 (Taka Eighty Crore) divided into 80,000,000 (Eight Crore) units at par value of Tk. 10.00 each.   |
| Tenure of the Fund      | 10 (Ten) Years.  |
| Fund Objective          | The objective of the fund is to generate attractive risk adjusted returns and disburse competitive dividend to the unit holders in the long-run by investing in a diverse arena of Sharia'a compliant eligible equity and debt securities of Bangladesh Capital and Money Market.  |
| Prospective Investors   | Individuals, Institutions, Non-Resident Bangladeshi (NRB), Mutual Funds and Collective Investment Schemes are eligible to apply for investment in the Fund from home and abroad.   |
| Dividend                | The fund shall distribute minimum 70 (seventy) percent of realized income as dividend in each accounting year. The fund may declare dividend quarterly, semiannually and/or annually as decided in the trustee meeting based on the earnings.  |
| Dividend Distribution   | The dividend both cash and re-investment units will be distributed within 45 (forty five) days from the date of declaration to the unit holders.   |
| Transferability         | The Units of the Fund are transferable by way of inheritance/gift and/or by specific operations of the law. The transfer will be made by the CDBL under electronic settlement process.   |
| Encashment              | The Fund will be listed with DSE and CSE. So, investment in this Fund will be easily encashable.   |
| Reports and Accounts    | Every Unit holder is entitled to receive annual report along with the yearly and half-yearly statements of accounts as and when published. Also, yearly and half yearly statement of the Accounts and other reports will be available at the website ( <a href="http://www.capmbd.com">www.capmbd.com</a> ) of the Asset Management Company Limited.   |
| Tax Benefit             | <ul style="list-style-type: none"><li>– Maximum 15% tax rebate benefit on the investment amount upto 25% of income or Tk. 1.5 Crore whichever is lower.</li><li>– Income from the fund is tax exempted upto Tk. 25,000.00 (Taka Twenty Five Thousand Only) as per section 44(2) of the Income Tax Ordinance 1984.</li><li>– Gain Tax is fully exempted for the investment in Mutual Funds according to এস. আর. ও. নং ১৯৬-আইন/আয়কর/২০১৫.</li></ul> |



## 1. Preliminary

### 1.1 Publication of Prospectus for Public Offering

CAPM (Capital & Asset Portfolio Management) Company Limited has received registration certificate from the Bangladesh Securities & Exchange Commission under Bangladesh Securities & Exchange Commission Act, 1993 and সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ made there under and also received consent for issuing prospectus for public offering. A complete copy of the prospectus is available for public inspection at Flat # C4, Plot # 07, Road # 17, Rupsha Tower, Banani C/A, Dhaka 1213 – the registered office of CAPM (Capital & Asset Portfolio Management) Company Ltd. – the Asset Manager of CAPM IBBL Islamic Mutual Fund, hereinafter referred to as “the Fund”.

### 1.2 Consent of the Bangladesh Securities and Exchange Commission

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

### 1.3 Listing of Fund

#### Declaration about Listing of Fund with the Stock Exchange(s)

“None of the Stock Exchange(s), if for any reason, grants listing within **30 (thirty) working days** from the closure of subscription, any allotment in terms of this Prospectus shall be void and the Asset Management Company shall refund the subscription money within **15 (fifteen) days** from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said **30 (thirty) working days**, as the case may be.

In case of non-refund of the subscription money within the aforesaid **15 (fifteen) days**, the Asset Management Company shall be liable for refund of the subscription money, with interest at the rate of **2% (two percent)** per month above the bank rate, to the subscribers concerned.

The Asset Management Company, in addition to the Sponsor and Trustee, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within **7 (seven) days** of expiry of the aforesaid **15 (fifteen) days** time period allowed for the refund of the subscription money”.

### 1.4 Availability of Documents for Inspection

1. Copy of this Prospectus will be available at the holders of the TREC Numbers of the Stock Exchanges and the registered as well as corporate office of CAPM (Capital & Asset Portfolio Management) Company Limited and also available at the website of Bangladesh Securities and Exchange Commission ([www.secbd.org](http://www.secbd.org)) and CAPM (Capital & Asset Portfolio Management) Company Limited ([www.capmbd.com](http://www.capmbd.com)).



2. Copy of the Trust Deed, the Investment Management Agreement and the Prospectus may be inspected during the business hours at the Corporate Office (Level-5, Safura Tower, 20 Kemal Ataturk Avenue, Banani C/A, Dhaka-1213) of the Asset Management Company of the Fund of the Fund during the period 10 (ten) days from the publication date of this Prospectus.

### 1.5 Conditions of the Public Offer (PO)

#### PART-A

1. The Fund shall go for **Public Offer (PO) for 3,00,00,000 units of Taka 10.00 (ten) each at par worth Tk. 30,00,00,000.00 (Thirty Crore) only** following the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, the Securities and Exchange Commission (Public Issue) Rules, 2015, the ডিপজিটরি আইন, ১৯৯৯ and regulations issued there under.
2. **The prospectus/abridged version of the prospectus as vetted by the BSEC, shall be published by the AMC in 02 (Two) widely circulated national daily newspapers (Bangla and English) within 05 (Five) working days of issuance of the consent letter. The AMC shall post the full prospectus, vetted by the Bangladesh Securities and Exchange Commission, in the AMC's website and shall also put on the websites of the Commission, stock exchanges, and the AMC, within 5 (Five) working days from the date of issuance of this letter and shall remain posted till the closure of the subscription list.**
3. Sufficient copies of prospectus shall be made available by the Asset Management Company so that any person requesting a copy may receive one. A notice shall be placed on the front of the application form distributed in connection with the offering, informing that interested persons are entitled to a prospectus, if they so desire, and that copies of prospectus may be obtained from the Asset Management Company. The subscription application shall indicate in bold type that no sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until **25 (twenty five) days** after the prospectus has been published.
4. The Asset Management Company shall submit **40 (forty) copies** of the printed prospectus, along with a Diskette / Compact Disc (CD) prepared in "MS WORD" containing the prospectus and its abridged version, as vetted by BSEC, to the Bangladesh Securities and Exchange Commission for official record within **5 (five) working days** from the date of publication of the prospectus in the newspaper.
5. The Asset Management Company shall ensure transmission of the prospectus and relevant application forms for NRBs through e-mail, simultaneously of publication of the prospectus, to the Bangladesh Embassies and Missions abroad, as mentioned in the prospectus, and shall also ensure sending of the printed prospectus and application forms to the said Embassies and Missions within **5 (five) working days** of the publication date by Express Mail Service (EMS) of the postal department. A compliance report shall be submitted in this respect to the BSEC by the Asset Management Company within **05 (five) working days** from the date of said dispatch of the prospectus & the forms.
6. The paper clipping of the published prospectus/abridged version of the prospectus and all other published documents/notices regarding the Fund shall be submitted to the Commission within **24 (twenty four) hours** of publication thereof.
7. The Asset Management Company shall maintain separate bank account(s) for collecting proceeds of the Public Offering and shall also open FC account(s) to deposit the application money of the Non-Resident Bangladeshis (NRBs) for Public Offer purpose, and shall incorporate full particulars of said FC account(s) in the prospectus. The Company shall open the above-mentioned accounts for Public Offer purpose and close these accounts after refund of over-subscription. **"NRB means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they**

have a valid Bangladeshi passport) or those, whose foreign passport bear a stamp from the concerned Bangladesh Embassy/High Commission to the effect that “no visa is required to travel to Bangladesh”.

8. The Asset Management Company shall ensure prompt collection/clearance of the foreign remittances of NRBs for allotment of units without any difficulty/complain.
9. The Asset Management Company shall apply to all the stock exchanges in Bangladesh for listing within **7 (Seven) working days** from the date of issuance of this letter and shall simultaneously submit the vetted prospectus with all exhibits, as submitted to BSEC, to the stock exchanges and shall also submit copy of the listing application to BSEC.
10. The following declaration shall be made by the AMC in the prospectus, name:-

**Declaration about Listing of Shares with the Stock Exchange(s):**

“None of the Stock Exchange(s), if for any reason, grants listing within **30 (thirty) working days** from the closure of subscription, any allotment in terms of this Prospectus shall be void and the Asset Management Company shall refund the subscription money within **15 (fifteen) days** from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said **30 (thirty) working days**, as the case may be.

In case of non-refund of the subscription money within the aforesaid **15 (fifteen) days**, the Asset Management Company shall be liable for refund of the subscription money, with interest at the rate of **2% (two percent)** per month above the bank rate, to the subscribers concerned.

The Asset Management Company, in addition to the Sponsor and Trustee, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within **7 (seven) days** of expiry of the aforesaid **15 (fifteen) days** time period allowed for the refund of the subscription money”.

11. The subscription list shall be opened and the sale of securities shall commence after **25 (Twenty Five) days** of the publication of the abridged version of the prospectus.
12. The IPO shall stand cancelled and the AMC shall inform the stock exchanges within **2 (two) working days** of receiving verification report and information from CDBL to release the application money **at least 50% of the targeted amount under** বিধি ৪৮ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ **is not subscribed**.
13. a) The AMC should ensure compliance of বিধি ৪৬ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.  
b) The Scheme will be formed and the IPO amount should be transferred to the Escrow Account of the Fund if it complies বিধি ৪৬ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ even **in case of under-subscription**.
14. a) Under Eligible Investors (EIs): 10% of total public offering shall be reserved for Mutual Funds and 40% of total public offering shall be reserved for the Eligible Investors;  
b) 10% of total public offering shall be reserved for Non-Resident Bangladeshis (NRBs), and the 40% shall be reserved for subscription by other General public.

15. a) 20% of the securities reserved for other general public shall be reserved for ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী।
- b) In case of under-subscription under any of sub-categories of eligible investor's category or general public category, the unsubscribed portion shall be added to other sub-category of the same category. And even after adding the unsubscribed portion of the sub-category with other sub-category under the same category, if the category is still remain under-subscribed, the unsubscribed portion shall be fulfilled by oversubscribed portion (if any) of other category.
- c) In case of over subscription in the general public category, the Asset Management Company shall conduct an open lottery. In case of over subscription in the eligible investor's category, securities shall be allotted on pro-rata basis.
16. All the applicants shall first be treated as applied for one minimum market lot of 500 shares worth Taka 5,000/- (Taka Five Thousand only) If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. In case of over-subscription under any of the categories mentioned hereinabove, the AMC shall conduct an open lottery of all the applications received under each category separately in presence of representatives from the trustee, BSEC, the stock exchanges and the applicants, if there be any.
17. An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case an applicant submits more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.
18. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money too.
19. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of the application money and/or forfeiture of share (unit) before or after issuance of the same by the AMC. The said forfeited application money or share (unit) will be deposited in account of the Bangladesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.
20. Public Offer Distribution System;
- a) Out of public offering Tk. 3,00,00,000.00 (Taka Three Crore) only shall be reserved for Mutual Funds, Tk. 12,00,00,000.00 (Taka Twelve Crore) only shall be reserved for the Eligible Institutional Investors (EIIs), Tk. 3,00,00,000.00 (Taka Three Crore) only for Non-Resident Bangladeshis (NRBs) and the remaining units of Tk. 12,00,00,000.00 (Taka Twelve Crore) only shall be reserved for subscription by other General Public including ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী;
- b) All securities/units stated in para a) shall be offered for subscription and subsequent allotment by the Asset Management Company subject to any restriction which may be imposed from time to time by the BSEC;
- c) In case of over-subscription in all of the 4 (four) sub-categories mentioned in para (a), the Asset Management Company shall conduct an open lottery of all the applications received under each category separately in accordance with the BSEC's instructions;
- d) 20% of the securities reserved for other general public shall be reserved for ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী। In case of under-subscription under any of sub categories of Eligible Investors category or General Public category, the unsubscribed portion shall be added to other sub category of the same category. And even after adding the unsubscribed portion of the sub-category with other sub-category under the same

**category, if the category is still remain under-subscribed, the unsubscribed portion shall be fulfilled by oversubscribed portion (if any) of other category. In case of over subscription in the general public category, the Asset Management Company shall conduct an open lottery. In case of over subscription in the eligible investor's category, securities shall be allotted on pro-rata basis;**

- e) The lottery as stated in para c) and d) shall be conducted in presence of the authorized representatives of the BSEC, Stock Exchange(s) concerned, Sponsor, Asset Management Company, Trustee and the applicants.
21. The Asset Management Company shall furnish the list of Allotees to the commission and the Stock Exchange(s) simultaneously in which the units will be listed, within 24 (twenty four) hours of allotment.
  22. **Unit Certificates for 100% of the Sponsor's contribution amounting to Tk. 500,000,000.00 (Fifty Crore) shall be subject to a lock-in period of 1 (one) year from the date of listing in the Stock Exchange(s) and 1/10<sup>th</sup> of the Sponsor's contribution amounting to Tk. 50,000,000.00 (Five Crore) shall be subject to a lock-in period of full time of the Fund.**
  23. All Pre-IPO placement will be in **6 (six) months lock-in** period from the date of listing of the Fund.
  24. **25% Shares** allotted to Eligible Investors (EI) through Initial Public Offering (IPO) shall be subject to lock-in for **03 (three) months** and other **25% shares** allotted to them shall be subject to lock-in for **06 (six) months** from date of issuance of prospectus.
  25. If the Asset Management Company fails to collect the **minimum 50%** of the targeted amount under বিধি ৪৮ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, it will **refund** the subscription money within **30 (thirty) days** from the closure of subscription without any deduction. In case of failure, the Asset Management Company shall refund the same with **an interest @ 18% per annum** from its own account within the next month.
  26. The Asset Management Company shall apply for listing of the Scheme with stock exchange(s) within **7 (seven) working days** from the date of approval for publication of the Prospectus.
  27. The Scheme shall maintain **escrow bank account** for the proceeds of public offering. The Fund collected through public offering shall not be utilized prior to the allotment and shall be effected through banking channel i.e., through account payee cheque, pay order, bank draft etc.
  28. The Scheme shall not be involved in **option trading, short selling** or **carry forward** transactions.
  29. The Annual Report or its abridged version of the Scheme shall be published within **45 (forty five) days** of the closure of each accounting year of the Fund.
  30. Half-yearly accounts/financial results of the Fund shall be submitted to the Commission and the Stock Exchange(s) and published in at least one English and one Bangla national daily newspapers within **30 (thirty) days** from end of the period.
  31. 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.
  32. Net Asset Value (NAV) of the Fund shall be calculated and disclosed publicly as per the বিধি ৬০ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.
  33. BSEC may appoint auditors for special audit/investigation on the affairs of the Scheme, if it so desires.



## Part –B

### Application Process

#### Step-1 (Applicant)

1. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. The subscription closing date), which shall be the **25<sup>th</sup> (twenty fifth) working day** from the date of publication of abridged version of prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:
  - a. **Other than non-resident Bangladeshi (NRB) and Foreign applicants** shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.
  - b. **Non-resident Bangladeshi (NRB) and Foreign applicants** shall submit bank drafts (FDD), issued in favor of the mutual fund for an amount equivalent to the application money, with their application to concerned Stockbroker/Merchant Banker. A Non-resident Bangladeshi (NRB) and Foreign applicant may also submit a single draft against 02(two) applications made by him/her, i.e. one in his/her own name and the other jointly with another person. The draft (FDD) shall be issued by the Bank where the applicant maintains NITA/Foreign Currency account debiting the same account. No banker shall issue more than two drafts from any NITA/Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.

#### Step-2 (Intermediary)

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely “Public Issue Application Account”. The Stockbroker/Merchant Banker shall:
  - a. post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;
  - b. accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the “Public Issue Application Account” maintained with its bank within the **first banking hour of next working day** of the cut-off date. In case of application submitted by the Stock-dealer or the Merchant Banker’s own portfolio, the application amount should also be transferred to the “Public Issue Application Account”;
  - c. instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.





4. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.
5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker will prepare a list containing the draft information against the respective applicant's particulars.
6. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and within **03 (three) working days** from the cut-off date, send it to the respective Stock Exchange in electronic (text format with tilde "~" separator) format, the certificate(s) issued by its banker, the drafts received from Non-resident Bangladeshi (NRB) and Foreign applicants and a copy of the list containing the draft information.
7. **On the next working day**, the stock Exchanges shall provide the AMC with the information received from the Stockbroker/Merchant Bankers, the drafts submitted by Non-resident Bangladeshi (NRB) and Foreign applicants and the list containing the draft information. Exchanges shall verify and preserve the bankers' certificates in their custody.
8. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers **up to 6 months** from listing of the securities with exchange.

### **Step-3 (AMC of Mutual Fund)**

9. The Asset Management Company (AMC) shall prepare consolidated list of the applications and send the applicants' BO IDs in electronic (text) format in a CDROM to CDBL for verification. The AMC shall post the consolidated list of applicants on its website and websites of Exchanges. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.
10. **On the next working day**, CDBL shall provide the AMC with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name, Joint Account and Bank Account Information along with the verification report.
11. After receiving verification report and information from CDBL, the AMC shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the stock exchanges **within 10 (ten) working days** from the date of receiving information from the stock exchanges.
12. The AMC of mutual fund shall conduct category wise lottery with the valid applications **within 03 (three) working days** from the date of reporting to the Commission and the Exchanges, if do not receive any observation from the Commission or the Exchanges.
13. The AMC of mutual fund shall arrange posting the lottery result on their websites within 06 (six) hours and on the websites of the Commission and Stock Exchanges **within 12 (twelve) hours** of lottery.
14. **Within 02 (two) working days** of conducting lottery, the AMC shall:
  - a. send category wise lists of the successful and unsuccessful applicants in electronic (text format with tilde "~" separator) format to the respective Exchange.





- b. send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the Consent Letter issued by the Commission in electronic (text format with tilde “~” separator) format to the Commission and Exchanges mentioning the penalty amount against each applicant.
- c. issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Exchange in electronic form.
- d. send consolidated allotment data (BOID and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

#### **Step-4 (Intermediary)**

15. **On the next working day**, Stock Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:
  - a. remit the amount of successful (other than NRB and Foreign) applicants to the AMC of mutual fund’s respective Escrow account opened for subscription purpose and unblock the amount of unsuccessful applicants;
  - b. send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Mutual Fund’s respective Escrow Accounts along with a list and unblock the balance application money;
16. **On the next working day** of receiving the documents from the Stock Exchanges, the Stockbrokers/Merchant Bankers shall request its banker to:
  - a. release the amount blocked for unsuccessful (other than NRB and Foreign) applicants;
  - b. remit the aggregate amount of successful applicants and the penalty amount of unsuccessful applicants (other than NRB and foreign) who are subject to penal provisions to the respective “Escrow” account of the AMC opened for subscription purpose.
17. **On the next working day** of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Mutual Fund’s “Escrow” account.
18. **Simultaneously**, the Stockbrokers/Merchant Bankers shall release the application money blocked in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts and send documents to the Exchange evidencing details of the remittances made to the respective “Escrow” accounts of the Fund. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions. The Stockbroker/Merchant Banker shall be entitled to recover the withdrawal charges, if any, from the applicant who wants to withdraw the application money, up to an amount of Tk. 5.00 (five) per withdrawal.
19. All drafts submitted by NRB or Foreign applicants shall be deposited in the Mutual Fund’s respective ‘Escrow’ accounts and refund shall be made by the AMC by refund warrants through concerned stockbroker or merchant banker or transfer to the applicant’s bank account through banking channel within **10 (ten) working days** from the date of lottery.



### **Miscellaneous**

20. The AMC, Stockbrokers and Merchant Bankers shall jointly ensure compliance of the above.
21. The bank draft (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.
22. Amount deposited and blocked in the “Public Issue Application Account” shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.
23. The AMC of mutual fund shall pay the costs related to data transmission, if claimed by the Stock Exchange concerned up to an amount of Tk. 2,00,000.00 (two lac) for public issue.
24. The Stockbrokers/Merchant Bankers shall be entitled to a service charge of 5.00 (taka five) only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.
25. The Stockbroker/Merchant Banker shall provide the AMC of mutual fund with a statement of the remittance and drafts sent.
26. The AMC of Mutual Fund shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.
27. The concerned Exchange are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

### **PART-C**

1. The Asset Management Company (i.e. CAPM (Capital & Asset Portfolio Management) Company Limited) shall ensure that the prospectus/abridged version of prospectus is published correctly and in strict conformity without any error/omission, as vetted by the Bangladesh Securities and Exchange Commission.
2. The Asset Management Company shall carefully examine and compare the published prospectus/abridged version of prospectus on the date of publication with the prospectus, as vetted by BSEC. If any discrepancy/inconsistency is found both the Sponsor and the Asset Management Company shall jointly publish a corrigendum immediately in same newspapers concerned, simultaneously endorsing copies thereof to BSEC and the stock exchange(s) concerned, correcting the discrepancy/inconsistency as required under ‘Declaration’ provided with BSEC.
3. The sponsor and the Asset Management Company shall immediately after publication of prospectus jointly inform the Commission in writing that the published prospectus/abridged version of the prospectus is a verbatim copy of the prospectus vetted by the commission.
4. The sponsor and the Asset Management Company shall simultaneously submit to the Commission an attested copy of the application filed with Stock Exchange(s) for listing of the securities.
5. The fund collected through public offering shall not be utilized prior to allotment and/or issuance of unit, as and when applicable, and that utilization of the said fund shall be effected through banking channel, i.e. account payee cheque, pay order or bank draft etc.



#### **PART-D**

1. All the above-imposed conditions imposed under section 2CC of the Securities and Exchange Ordinance, 1969 shall be incorporated in the Prospectus/abridged version immediately after the page of the table of contents where applicable, with a reference in the table of contents, prior to its publication.
2. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the Sponsor, Asset Management Company, Trustee and Custodian.

#### **PART-E**

1. As per provision of the ডিপজিটরি আইন, ১৯৯৯ and regulations made hereunder, units shall only be issued in dematerialized condition. All transfer/transmission/splitting will take place in Central Depository Bangladesh Limited (CDBL) system and any further issuance of units will be issued in dematerialized form only.

**An applicant (including NRB and Foreign) shall not be able to apply for allotment of units without Beneficiary Owner account (BO account).**

2. The Asset Management Company shall also ensure due compliance of all above mentioned conditions.

#### **General Information**

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

#### **1.6 Subscription**

Subscription to the **CAPM IBBL Islamic Mutual Fund** will remain open for trading which will commence at the opening of trading business on **10 December 2017** and will be closed at the end of the trading business on **18 December 2017**.



## 1.7 Declaration of Responsibilities

### 1.7.1 Declaration about the responsibility of the Sponsor

The Sponsor whose name appears in this Prospectus, accept full responsibility for the authenticity and accuracy of the information contained in this Prospectus and other documents regarding the Fund. To the best of the knowledge and belief of the Sponsor, who has taken all reasonable care to ensure that all conditions and requirements concerning this public issue and 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/-

**Md. Abdul Hamid Miah**  
Managing Director & CEO  
Islami Bank Bangladesh Limited

### 1.7.2 Declaration about the responsibility of the Trustee

We, as Trustee of the CAPM IBBL Islamic Mutual Fund, accept the responsibility and confirm that we shall:

1. be the guardian of the Fund, held in trust for the benefit of the unit holders in accordance with the Rules & Trust Deed;
2. always act in the interest of the unit holders;
3. 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;
4. 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
5. take such remedial steps as are necessary to rectify the situation where they have reason to believe that the conduct of business of the Fund is not in conformity with the relevant Rules.

Sd/-

**Mohammed Shahjahan**  
General Manager, Trustee Division  
Investment Corporation of Bangladesh (ICB)



### 1.7.3 Declaration about the responsibility of the Custodian

We, as Custodian of the CAPM IBBL Islamic Mutual Fund, accept the responsibility and confirm that we shall:

1. Keep all the securities in safe custody and shall provide the highest security for the assets of the Fund; and
2. Preserve necessary documents and record so as to ascertain movement of assets of the Fund as per Rules.

Sd/-

**Mohammed Shahjahan**  
General Manager, Trustee Division  
Investment Corporation of Bangladesh (ICB)

### 1.7.4 Declaration about the responsibility of the Asset Manager

This Prospectus has been prepared by us based on the Trust Deed, Investment Management Agreement, the Securities and Exchange Commission (Public Issue) Rules, 2015, the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, ডিপজিটরি আইন, ১৯৯৯ and other related agreements and documents as relevant for adequate disclosure of the Fund's objectives and investment strategies to the investors. We also confirm that:

1. the Prospectus is in conformity with the documents, materials and papers related to the issue;
2. all the legal requirements of the issue have been duly fulfilled; and
3. the disclosures made are true, fair and adequate for investment decision.

Investors should be aware that the value of investments in the Fund bears market risks 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 some amount of risk, should invest in the Fund. Investors are requested to pay careful attention to the "Risk Factors" as detailed in the Risk Factor section and to take proper cognizance of the risks associated with any investment in the Fund.

Sd/-

**SM Mahmud Hussain**  
Managing Director & CEO  
CAPM (Capital & Asset Portfolio Management) Company Ltd.



## 1.8 Due Diligence Certificates

### 1.8.1 Due Diligence Certificate of the Sponsor

Chairman  
Bangladesh Securities and Exchange Commission  
Jiban Bima Tower, 10 Dilkusha C/A  
Dhaka-1000

**Subject: CAPM IBBL Islamic Mutual Fund.**

We, the under-noted sponsor to 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 Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001, Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, Dhaka Stock Exchange (Listing) Regulations, 2015, Chittagong Stock Exchange (Listing) Regulations, 2015, Trust Deed of the Fund and the Rules, guidelines, circulars, orders and directions that may be issued by the Bangladesh Securities and Exchange Commission from time to time in this respect.

WE CONFIRM THAT:

- a) all information in the draft prospectus forwarded to the Commission is authentic and accurate;
- b) we as sponsor to the issue as mentioned above will act as per provisions 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 Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001 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 Sponsor

Sd/-

Md. Abdul Hamid Miah  
Managing Director & CEO  
Islami Bank Bangladesh Limited



### 1.8.2 Due Diligence Certificate of the Trustee

Chairman  
Bangladesh Securities and Exchange Commission  
Jiban Bima Tower, 10 Dilkusha C/A  
Dhaka-1000

**Subject: CAPM IBBL Islamic Mutual Fund.**

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

1. We, while act as trustee to the above mentioned fund on behalf of the investors, have examined the draft prospectus and other documents and materials as relevant to our decision; and
2. We warrant that we shall comply with the Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001, Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, Dhaka Stock Exchange (Listing) Regulations, 2015, Chittagong Stock Exchange (Listing) Regulations, 2015, Trust Deed of the Fund and the Rules, guidelines, circulars, orders and directions that may be issued by the Bangladesh Securities and Exchange Commission from time to time in this respect.

WE CONFIRM THAT:

- a) all information and documents as are relevant to the issue have been received and examined by us and the draft prospectus forwarded to the Commission have been approved by us;
- b) we have also collected and examined all other documents relating to the fund;
- c) while examining the above documents, we find that all the requirements of the Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001 have been complied with;
- d) we shall act as trustee to the issue 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 Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001 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/-

Mohammed Shahjahan  
General Manager, Trustee Division  
Investment Corporation of Bangladesh (ICB)



### 1.8.3 Due Diligence Certificate of the Custodian

Chairman  
Bangladesh Securities and Exchange Commission  
Jiban Bima Tower, 10 Dilkusha C/A  
Dhaka-1000

**Subject: CAPM IBBL Islamic 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 Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001, Depository Act, 1999, Depository Regulation, 2000, Depository (User) Regulation, 2003, Trust Deed of the Fund and the Rules, guidelines, circulars, orders and directions that may be issued by the Bangladesh Securities and Exchange Commission from time to time in this respect.

WE CONFIRM THAT:

- a) we will keep all the securities (both listed and unlisted) and Assets of the "CAPM IBBL Islamic Mutual Fund" including FDR receipts in safe and separate custody as per বিধি ৪১ of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ and will provide highest security for the assets of the Fund;
- b) we shall act as custodian to the issue 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 Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001 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/-  
Mohammed Shahjahan  
General Manager, Trustee Division  
Investment Corporation of Bangladesh (ICB)





#### 1.8.4 Due Diligence Certificate of the Asset Manager

The Chairman  
Bangladesh Securities and Exchange Commission  
Jiban Bima Tower, 10 Dilkusha C/A  
Dhaka-1000, Bangladesh

**Subject: CAPM IBBL Islamic 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, বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন আইন, ১৯৯৩ (১৯৯৩ সনের ১৫ নং আইন), the Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001, 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/-  
SM Mahmud Hussain  
Managing Director & CEO  
CAPM (Capital & Asset Portfolio Management) Company Ltd.



## 2. Background and Investment Benefits

---

### 2.1 Preamble to Formation of CAPM IBBL Islamic Mutual Fund

**CAPM IBBL Islamic Mutual Fund**, a closed-end Mutual Fund, formed with the intention to provide **regular competitive Dividend Income opportunities with capital appreciation benefits in long** by investing in a diverse arena of Shariah compliant eligible equity and debt securities of Bangladesh Capital and Money Market. This fund will allow both the institutional and individual investors to achieve **“Riba Free Superior Earnings and Investment Growth”** simultaneously. The fund is designed perfectly to generate a steady return along with reasonable capital gains in the medium and long run.

**CAPM IBBL Islamic Mutual Fund** is sponsored by **Islami Bank Bangladesh Limited** and managed by **CAPM (Capital & Asset Portfolio Management) Company Limited**.

The Capital Market of Bangladesh has grown rapidly in both size and volume in last few years. This rapid growth has given rise to the demand of professionally managed investment vehicles those work as capital market linked Investment Instruments for long term financial benefits of the small investors such as mutual funds.

Though Mutual Fund Industry of Bangladesh has grown significantly during this rapid growth phase of Capital Market but unfortunately is yet to address the investors’ demand of safe and above average return generating investment schemes. More so, general investors as well as industry professionals have so far failed to understand the basic concept of mutual funds as capital market linked long term growth schemes and causing some structural problems, such as intense volatility, speculation and irrational exuberance/depressions in relation to Mutual Funds!

Though there are about 25 Asset Management Companies licensed by BSEC, the total asset under management of all the companies is roughly Tk. 7500 Crore which is less than 2% of the total market capitalization. As of January 31, 2017; 35 (thirty five) close end mutual funds were listed with the Exchanges. There are only 02 (two) Shariah compliant mutual funds among these 35 (thirty five) listed close end mutual funds.

Also, the dynamic growth of economy and faster mobilization of savings have raised the demand for professionally managed Shariah based investment products which provide good and safe return. Keeping all these in mind CAPM Company Limited has designed its first Islamic closed-end mutual fund (CAPM IBBL Islamic Mutual Fund) as equity linked **“Riba Free Superior Earnings and Investment Growth”** scheme to facilitate the investors’ long-term benefits.

### 2.2 Necessity of CAPM IBBL Islamic Mutual Fund under Current Circumstances of the Capital Market

The Bangladesh capital market is evolving and reaching new heights on continuous basis. The mutual fund industry offers significant growth potential. By most measures the current closed-end mutual funds in the market, which number approximately 35 in total, represent a very small percentage of the total domestic market capitalization; thus there exists greater scope for market growth in the mutual fund sector.

Though the capital market of Bangladesh has grown rapidly in last few years, there is an increasing demand for professionally managed Shariah compliant investment instruments. Also, the demand for Shariah compliant investment instruments are not yet been addressed by the financial service providers.

The demographic characteristics and religious mind of Bangladeshi people implies that there is an enormous potential for well-managed Islamic (Shariah Compliant) mutual funds in the capital market arena of Bangladesh. Currently, there only two Islamic closed end funds compared to 33 conventional closed



end mutual funds in Bangladesh. Also, there are not many investment vehicles currently available for increasingly aware and affluent population looking for shariah compliant products.

An Islamic Closed-End mutual fund will meet those needs. The numbers as well as size of shariah compliant banking & insurance institutions are growing at an increasing rate. This new fund will also provide them with a new investment vehicle. The prospective return is much higher than other competitive investment products available in the market.

The mutual fund sector registered a gain of 8.73 percent in year 2014-2015 against 5.19 percent by DSEX, the benchmark index of the Dhaka Stock Exchange. In year 2015-2016 the mutual fund industry gained 4.98 percent while the DSEX lost 2.38 percent. On the other hand in year 2016-2017 (till 22 January 2017) the sector registered a gain of 41.17 percent while DSEX, the benchmark index of the Dhaka Stock Exchange, gained 17.64 percent. Thus, mutual funds become an effective investment vehicle for those who like to rely on professional fund manager for investment management services.

Also, the economy of Bangladesh has grown at a rate of more than 6% for last few years and is expected to grow at an increasing rate. Bangladesh has successfully improved its economic growth performance over the last three decades. The economic growth of the country was backed by a considerable growth of industrial sector due to entrepreneurial quality and cheap labor force. The scope of foreign and local investment is broadening on a regular basis because of favorable demographic and geographic characteristics of the economy.

CAPM believes that **CAPM IBBL Islamic Mutual Fund** will help investors to materialize the growth potentials in return and avail the services of globally experienced professional and ethical fund managers and allow them to minimize risk with an above average market return.

### 2.3 Advantages of Investing in CAPM IBBL Islamic Mutual Fund

- **Better Return Potential:**

CAPM IBBL Islamic Mutual Fund possesses a great opportunity to acquire a high return in a very risk adjusted manner in the universe of stock market of Bangladesh. The Compounded Annual Return of the Mutual Funds that have been in the market for last ten years is about 36%.

- **Halal way of Income based on Shariah:**

CAPM IBBL Islamic Mutual Fund offers the opportunity to investment and income in a Halal way through providing basis of Shariah based equity investing which has been derived by considering the established sources of Islamic Law in the following order:

- The Holy Qur'an;
- The Hadith - the recorded statements and practices of Prophet Muhammad (PBUH);
- The general consensus of the Islamic Scholars and analogies from the Holy Qur'an and Hadith;

- **Professional Management:**

CAPM IBBL Islamic Mutual Fund allows investors to avail services of experienced and skilled professionals who are backed by a dedicated investment research team which selects suitable investments to achieve the objectives of the fund. The sole objective of these professionals is to deliver risk adjusted return (Capital gain, Dividend income and profit) to Investors.

▪ **Enhanced Safety:**

The CAPM IBBL Islamic Mutual Fund will be the safest investment instrument in terms of both lower return volatility and security of investment. The fund will issue the units in dematerialized form through CDBL and thus eliminates the associated problems of safekeeping of paper certificate.

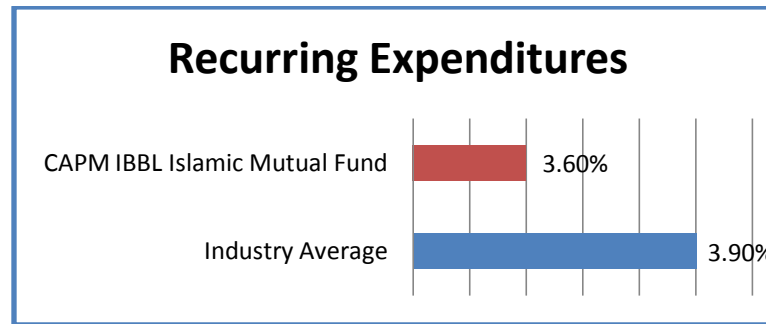
▪ **Research Based Investment:**

A dedicated and qualified investment research team who analyses the performance and prospects of companies and identify eligible securities to invest which justify the objective of the fund.

▪ **Low Cost:**

The economies of scale in brokerage, custodial, trustee, audit and other recurring fees compared to the industry averages make CAPM IBBL Islamic Mutual Fund into a lower cost financial solution for investors.

The following figure depicts the comparison of CAPM IBBL Islamic Mutual Fund's cost to Industry Averages.



▪ **Tax Benefit:**

The unit holders of the fund will enjoy tax benefits in two ways;

- Maximum 15% tax rebate benefit on the investment amount upto 25% of income or Tk. 1.5 Crore whichever is lower
- Dividend income from the fund is tax exempted upto Tk. 25,000.00 only



- **Transparency & Security:**

Regular disclosures of financials to all investors of the fund and involvement of industry leaders as parties of the fund will always ensure the Transparency & Security of CAPM IBBL Islamic Mutual Fund. Moreover, the Asset Manager's (CAPM (Capital & Asset Portfolio Management) company Limited) ethical orientation will always facilitate the transparent management of the fund.

- **Elimination of Operational Hazards:**

Investment in CAPM IBBL Islamic Mutual Fund eradicates the hazards arises from the day to day maintenance of investment management activities including paper tasks, employee involvements and more of all the investment decision making processes.

- **Liquidity:**

The CAPM IBBL Islamic Mutual Fund will be as liquid as cash. The unit holder of the fund will be able to buy and sell the units of the fund at both the exchanges of Bangladesh in each trading day except for book closure period.

- **Easy Access to Information:**

Investors will be able to avail fund related detailed information by visiting the website of the Asset Management Company ([www.capmbd.com](http://www.capmbd.com)). Also, the NAV (weekly) and dividend as well as periodic income related information will be available from both DSE and CSE.

- **Diversification:**

One of the most significant advantages of a mutual fund is the benefit of diversification. The principal of diversification will be followed in fund management by allocating investments among various financial instruments and industries. The investment will be diversified in a manner so that it can exploit every prevailing investment opportunity in the market and reduce the risk to minimum level.

- **Conversion:**

The Fund can be converted into the Open End Scheme by taking the acceptance for proposal of conversion as per BSEC rules and subject to approval of the Commission.



## 3. The Fund

### 3.1 Formation of the Fund

The Trust Deed of the **CAPM IBBL Islamic Mutual Fund** was registered on 13 November 2016 under the Trust Act, 1882 and Registration Act, 1908. The Fund was registered by the BSEC on 26 December 2016 under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১. The Fund received consent for issuing Prospectus for public offer from BSEC on 09 November 2017.

### 3.2 Life of the Fund

The Fund will be a closed-end mutual fund of **10 (Ten) years** tenure, established to broaden the base of investment and develop the capital market. Institutional, local and foreign, and individual investors, resident and non-resident, are eligible to invest in this Fund.

The Fund may be redeemed on its pre-determined maturity at the end of the tenth year but the Fund can be converted into the Open End Scheme by taking the acceptance proposal of conversion as per BSEC rules and subject to approval of the Commission.

### 3.3 Size of the Fund

The total issue size of the Fund is 80,000,000 Units of Tk. 10.00 each at par for Tk. 80.00 Crore. Size of the Fund will be increased from time to time by the Asset Management Company subject to approval of the Trustee and with due intimation to the BSEC.

Units of **Tk. 500,000,000.00 (Taka Fifty Crore)** only have been **subscribed by the Sponsor (Islami Bank Bangladesh Limited)** of the Fund.

On the **Public Issue** of Units of **Tk. 30,000,000.00 (Taka Three Crore)** only shall be reserved for Mutual Funds, **Tk. 120,000,000.00 (Taka Twelve Crore)** only shall be reserved for the Eligible Institutional Investors (EII), **Tk. 30,000,000.00 (Taka Three Crore)** only for Non-Resident Bangladeshis (NRBs) and the remaining units of **Tk. 120,000,000.00 (Taka Twelve Crore)** only shall be reserved for subscription by other General Public including ক্ষতিগ্রস্থ ক্ষুদ্র বিনিয়োগকারী;

### 3.4 Face Value and Denomination of the Fund

Face value of each unit will be Tk. 10.00 (Taka Ten Only) and the market lot will be 500 (Five Hundred) units of Tk. 5,000.00 (Taka Five Hundred Only). Unit holders of the Fund shall be issued with dematerialized units of the fund by the Asset Management Company at the cost of the Fund in any denomination.

## 4. Investment Objectives and Policies

### 4.1 Investment Objective

The objective of the fund is to generate attractive risk adjusted returns and disburse competitive dividend to the unit holders in the long-run by investing in a diverse arena of Shariah compliant eligible equity and debt securities of Bangladesh Capital and Money Market.

### 4.2 Important Policies Regarding Investments and Operations of the Fund

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. The Fund shall invest in both listed and non-listed Shariah Compliant Securities. All the investment of the fund should be approved by Sharih Advisory Board. However, while investing in securities both listed and non-listed the following criteria will be observed:
  - a. **Primary Selection of Companies/Business based Screening:**

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

- A. Advertising and Media, with following exceptions;
  - News Channels
  - Newspapers
  - Sports Channels
- B. Financials, except;
  - Islamic Banks
  - Islamic Financial Institutes
  - Islamic Insurance companies
- C. Alcohol;
- D. Cloning;
- E. Pork;
- F. Tobacco;
- G. Gambling;
- H. Pornography;
- I. Trading of Gold and Silver as Cash on deferred basis;

b. **Accounting based Screening:**

After removing companies with non-compliant business activities, the Fund may invest in the companies if:

- a. The total debt of the investee company is equal to or less than 33% of the trailing 12 months average market capitalization of the company.
  - b. The sum of cash or interest bearing securities of the investee companies is less than or equal to 33% of the trailing 12 months average market capitalization of the company.
  - c. The Accounts Receivable is less than or equal to 45% of the Total Assets of the company.
3. The Fund may also invest in other Shariah Compliant instruments as and when they are available for investments, specifically;
- A. In Participation Term Certificates, Mudaraba Term Certificates, Mudaraba deposits and all other asset backed securities;
  - B. In contracts, securities or instruments of companies, organizations and establishments issued on the principles of Bai' Mu'ajjal, Bai' Salam, Istisna'a, Mudaraba, Murabaha and Musharika;
  - C. In the form of Riba-free cash deposits with Islamic Banks or financial institutions with the object of maintaining sufficient liquidity to meet the day-to- day requirement and to take advantage of suitable investment opportunities as and when they arise;
  - D. In other instruments that may be allowed by the বিধিমালা and confirmed as Shariah Compliant by the Sharia Advisory Board of the Asset Manager from time to time.
4. Not less 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 per cent shall be invested in listed securities.
  5. Not more than 25% of the total asset of the Fund will be invested in Islamic Bonds or Sukuk or Shariah compliant Fixed Income Securities (FIS).
  6. Not more than 15% of the total asset of the Scheme of the Fund shall be invested in pre-IPOs at one time.
  7. All money collected under the Fund except the portion of fixed income securities or hedging instruments, if any, shall be invested only in en-cashable/transferable instruments, securities whether in money market or capital market or privately placed pre-IPO equity, preference shares, debentures or securitized debts.
  8. The Fund shall get the securities purchased or transferred in the name of the Fund.
  9. Only the Asset Management Company will make the investment decisions and place orders for securities to be purchased or sold for the portfolio of the Scheme.
  10. The Asset Management Company will choose broker(s) for the purchase and sale of securities for the Fund's portfolio.
  11. Time to time updated investment restrictions notified by BSEC will be entertained in the fund's investment decisions.
  12. The Sponsor shall not participate in any decision making process for any investment of the Fund.





#### 4.3 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 in more than 15% of any company's paid up capital.
3. The Fund shall not invest more than 20% of its total assets in shares, debentures or other securities of a single company or group.
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 lend to another Scheme managed by 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.

#### 4.4 Valuation Policy

The Fund intends to determine its NAV per unit on the last business day of each week by dividing the value of the net asset of the Fund (the value of total assets less total liabilities as per বিধি ৬০ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ by the total number of units outstanding). As per বিধি ৫৮ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, valuation policy of investment of the Fund needs to be approved earlier by Securities and Exchange Commission. Valuation criterion so far approved by the Commission in the Trust Deed and Investment Management Agreement is as follows:

1. For listed securities held in the portfolio of the Fund, the average quoted closing market price at the Stock Exchange(s) on the date of valuation shall be taken into account for calculation of Net Asset Value (NAV) of the Fund.
2. For Participation Term Certificates, Mudaraba Term Certificates, Mudaraba deposits, held in the portfolio of the Fund, the accrued profit on such instruments on the date of valuation shall be taken into account for calculation of Net Asset Value (NAV) of the Fund.
3. The Fund shall fix the valuation method as specified in the বিধিমালা.
4. The Fund shall follow the method approved by the Commission for valuation of the non-traded investments, if any, the Asset Management Company and the Trustee shall at least annually review the non listed investments, if any, and the Trustee shall at least annually review the value of such investments. The auditors shall comment on such investments in the annual report of the Fund.
5. The valuation of those Listed Securities not traded within previous one month will be made with their reasonable value but shall not be more than the intrinsic value. Such valuation must be approved by the Trustee and commented upon by the Auditors in the Annual Report of the mutual fund.

6. The valuation of non-listed securities will be made by the Asset Management Company with their reasonable value and approved by the Trustee and commented upon by the Auditors in the annual report of the Scheme.
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. The Fund shall follow a general formula as specified in the বিধিমালা for computing the Net Asset Value (NAV) of the Fund and adequate disclosure shall be made as per the provision of the বিধিমালা. The Net Asset Value (NAV) of the Fund will use the following formula to derive NAV per unit:

$$\text{Total NAV} = \text{VA} - \text{LT}$$

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

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

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

#### 4.5 Investment Management

CAPM (Capital & Asset Portfolio Management) Company 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 as well as Investment Management Agreement or any general directions given by the Trustee and/or the Commission. However, CAPM (Capital & Asset Portfolio Management) Company Ltd. will have discretionary authority over the Fund's Portfolio about investment decisions.

#### 4.6 Dividend Policy

1. The accounting year of the Fund shall be July 01 to June 30;
2. The Fund shall declare and pay dividend in cash or in reinvestment units to the unit holders annually from the distributable profit, if any.
3. Unit holders, whose names will appear in the register on the record date to be announced each year, will be eligible to receive the declared dividend.
4. The Fund shall as soon as may be, after the closing of the annual accounts, declare and distribute dividend, if any, to the unit holders in accordance with the বিধিমালা. The amount of total dividend to be declared for the year shall not be less than 70 (seventy) percent of the total net profit earned in the respective year or as determined by the Commission from time to time. The Dividend of the fund can be distributed in the form of Cash or Reinvestment Units or in both options.
5. The Asset Management Company shall dispatch the dividend entitlement at the expense of the Fund, within 45 days of the declaration of the dividend and shall submit a statement within next 7 (seven) days to the Commission, the Trustee and the Custodian.
6. Before declaration of any dividend, the Asset Management Company with the consent of the auditor shall make provisions for revaluation of investments to cover losses if market value of investments goes below from their acquisition cost. The method of calculation of provisions must be incorporated in the notes of the Accounts of the Fund.
7. The Fund shall create a dividend equalization reserve fund by suitable appropriation from the net income of the Fund.
8. Before the record of ownership by CDBL, a transferee shall not possess the right to any dividend declared by the fund.

## 5. Risk Factors and Management

### 5.1 Risk Factors

Investment in securities market always bears some risks. Investment in CAPM IBBL Islamic Mutual Fund also involves certain risk factors. The investors should carefully consider the following risks in addition to other information contained in the Prospectus in evaluating the offer and also for taking a decision whether to invest or not.

1. The performance of the Fund is directly related with the macro economic situation particularly the capital market of Bangladesh.
2. Since the capital market of Bangladesh is volatile, there is no assurance of achieving the stated objectives of the Fund. Although all reasonable care will be taken to generate a very competitive return.
3. Due to small number of Shariah compliant listed securities in both the stock exchanges, it may be difficult to invest the Fund's assets in a widely diversified portfolio as and when required to do so.
4. Due to absence of organized secondary Islamic bond market in Bangladesh, it would be difficult for the Fund Manager to swap between asset classes if and when required.
5. Limited shariah compliant money market instruments narrowed the opportunity of short term or temporary investments of the Fund.
6. The Net Asset Value (NAV) of the Fund, to the extent invested in Debt and Money Market securities, will be affected by changes in the general level of interest rates. The NAV of the Fund is expected to increase from a fall in interest rates while it would be adversely affected by an increase in the level of interest rates. In addition, zero coupon securities do not provide periodic interest payments to the holder of the security; these securities are more sensitive to changes in interest rates. Therefore, the interest rate risk of zero coupon securities is higher. The AMC may choose to invest in zero coupon securities that offer attractive yields. This may increase the risk of the portfolio.
7. Stock market trends show that price of almost all the listed securities move in unpredictable direction which may affect the value of the Fund. Moreover, there is no guarantee that the market price of shares of the Fund will fully reflect their underlying net asset values.
8. Despite careful investment selection of companies in the Fund, if the companies fail to provide the expected dividend or fail to disburse the dividends declared in a timely manner, this will impact the income of the Fund and the overall return of the Fund.
9. For investing in Pre-Public Offer Placement securities i.e. in unlisted equity securities by the Fund may involve liquidity risk.
10. Uncertainties like political and social instability may affect the value of the Fund's Assets.
11. Government policy and tax laws may change, affecting the return on investment in Units.
12. Adverse effect of the economic crisis of the international community on the capital market of Bangladesh may affect the performance of the Fund.
13. Adverse natural climatic condition may hamper the performance of the Fund.

**THE MUTUAL FUND IS NOT GUARANTEEING OR ASSURING ANY RETURNS.**



## 5.2 Risk Control Approaches

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

1. Investments will be pursued in selected sectors based on the analysis of business cycles, regulatory reforms, competitive advantage, etc.
2. Selective stock picking will be done from the selected sectors.
3. Focus will be on the fundamentals of the business, the industry structure, the quality of management, sensitivity to economic factors, the financial strength of the company and key earnings drivers.
4. In addition, a details study will be made on the macro-economic conditions, including the political, economic environment and factors affecting liquidity and interest rates.
5. Risk will also be reduced through adequate diversification of the portfolio. Diversification will be achieved by spreading the investments over a range of industries/sectors.

## 5.3 Expected Market Performance of the Fund

1. As the stock market index is still relatively low, the Fund should be able to construct portfolio at a comparatively cheaper cost base.
2. It is expected that demand of the Fund's units will always rule over supply as the fund is predominantly subscribed by the Institutional Investors.
3. Image of CAPM as Asset Manager, Islami Bank Bangladesh Limited (IBBL) as Sponsor and Investment Corporation of Bangladesh (ICB) as Trustee and Custodian may motivate investors to invest in this Fund.
4. Successful launching and subsequent satisfactory performance of first digitized Open-End Mutual Fund managed by CAPM may attract the Investors to invest in this Fund.

## 5.4 Who should Invest and How Much to Invest

1. Individuals who expect a relatively risk adjusted market average return and lack knowledge as well as time regarding the capital market may apply for the units of the Fund.
2. Individuals who are looking for long-term capital growth and regular dividend income and are comfortable with a level of 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.



## 6. Formation, Management and Administration of the Fund

---

### 6.1 The Sponsor

**Islami Bank Bangladesh Limited (IBBL)** is a Joint Venture Public Limited Company engaged in commercial banking business based on Islamic Shari'ah. It was established on the 13th March 1983 as the first Islamic Bank in the South East Asia which started operations on 30 March 1983. It is a public limited company registered under the Companies Act of 1913. It has 42.4832% local and 57.5168% foreign shareholders. IBBL has 318 branches including 58 AD Branches & 03 Offshore Banking Units as well as has 13,569 staffs. In addition to that IBBL maintains its own 524 ATM Booths, 125 IDM (IBBL Deposit Machine) along with more than 7,000 shared ATM network across the country. IBBL is the largest private banking network in Bangladesh. The bank is listed with both Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd.

#### Recognition

Islami Bank Bangladesh Limited won Bank of the Year Award 2016 conferred by The Banker and Financial Times Group, London. Islami Bank is the only Bangladeshi Bank awarded ever by the Banker. The bank is being placed among the World's top 1,000-bank list ranked by The Banker since 2012. In 2016, the Bank was recognized as the best Managed Bank in Bangladesh by The Asian Banker, a Singapore based strategic banking intelligence provider. The Global Finance a reputed USA-based Finance Magazine, adjudged IBBL as the best Islamic Financial Institution of Bangladesh for the years 2008, 2009, 2010, 2011 & 2013. In addition, a good number of awards have been conferred upon Islami Bank both from local and global renowned organizations in 2016. The bank is functioning as the 1st Shariah based bank of Southeast Asia for more than three decades and achieved many accolade for its outstanding contribution in the country's economic development.

### 6.2 The Trustee & Custodian

The **Investment Corporation of Bangladesh (ICB)** would act as the Trustee and Custodian of the CAPM IBBL Islamic Mutual Fund. The Investment Corporation of Bangladesh was established as an Investment Bank under the Investment Corporation of Bangladesh Ordinance, 1976 (Ordinance No. XL of 1976) which has been replaced by the Investment Corporation of Bangladesh Act, 2014 (Act No. 12 of 2014).

The establishment of ICB was a major step in a series of measures undertaken by the government to accelerate the pace of industrialization and to develop a well-organized and vibrant capital market, particularly securities market in Bangladesh. ICB provides institutional support to meet the equity gap of the companies. In view of the national policy of accelerating the rate of savings and investment to foster self-reliant economy, ICB assumes an indispensable and pivotal role. The main objectives of ICB are to encourage and broaden the base of investments, to develop the capital market, to mobilize savings, to promote and establish subsidiary companies for business expansion and to provide for matters ancillary thereto etc.

Over the years, the activities of ICB have grown manifold, particularly in Merchant Banking, Mutual Funds operations and Lease Financing activities. ICB pioneered the Mutual Fund Industry in Bangladesh. The country's first Mutual Fund, the "First ICB Mutual Fund" was launched on 25 April 1980. Since then ICB had floated 8 (eight) Mutual Funds.

ICB also manages the country's first open-end Mutual Fund. It was also the single largest stockbroker and dealer in DSE and CSE. Due to continuous price falling in the last the FY 2010-11, an initiative has taken to form an open-end Mutual Fund of Tk. 5,000.00 crore called "Bangladesh Fund" by ICB to regain investor's



reliance through increasing flow of liquidity for a stable and dynamic stock market. The Bangladesh Fund is the largest open-end Mutual Fund ever in the history of our country.

Investment Corporation of Bangladesh (ICB) received World Finance banking award 2013 as Best Investment Bank for the contribution in capital market development and Best Private Bank for the contribution in private sector development. ICB also received Best Presented Annual Report Awards & SAARC Anniversary Awards for Corporate Governance Disclosures-2013 Presented by SAFA and ICMA Award of Excellence in 2014. Apart from this ICB received so many awards for their contribution in developing financial market from different bodies.

The Trustee shall constitute Committee with a minimum of two members, which shall be responsible for discharging the obligations of the Trustee and the first such Committee shall be constituted with the following members:

| SL. No. | Designation                                   | Position in Board |
|---------|---|-------------------|
| 1       | General Manager, Trustee                      | Member            |
| 2       | Deputy General Manager, Trustee Division      | Member            |
| 3       | Deputy General Manager, Finance Division      | Member            |
| 4       | Assistant General Manager, Trustee Department | Member Secretary  |

### 6.3 The Asset Manager

**CAPM (Capital & Asset Portfolio Management) Company Limited** is the Asset Manager of the CAPM IBBL Islamic Mutual Fund. CAPM (Capital & Asset Portfolio Management) Company Limited is a new generation Asset Management Company (AMC) with the obsession to deliver the most innovative, prompt and cost effective financial solutions to the reverential investors around the country. CAPM has been incorporated as private limited company in January 2011 and licensed as AMC in September 2011 under Securities and Exchanges Commission (Mutual Fund) Rules, 2001.

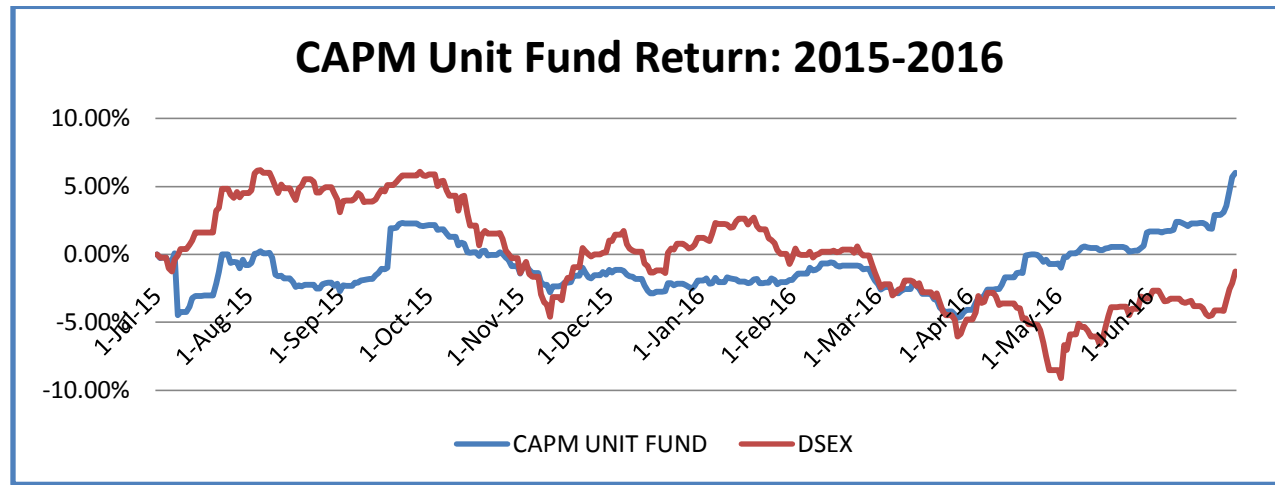
CAPM is the only joint venture asset management company of Bangladesh, promoted by a group of UK NRB and local entrepreneurs. CAPM is initiated by a distinguished bilateral team of experienced shareholders, majority of which is owned by Goldenbridge Investments Limited, an investment company in UK. CAPM is driven by a proactive team of highly professional executives skilled in investment management services, fund operations and other advanced financial product.

Investors' benefit and 'ethical' service is the core of CAPM's professionalism. With this desire in heart CAPM is developing its every department with highly experienced and qualified professionals. Our investment in every instrument will be driven to deliver the "α" and followed by a dynamic process of investment evaluation approach. CAPM always maintains five core values to operate its businesses; integrity, understanding, excellence, unity and responsibility.

### 6.3.1 Fund Management Performance of CAPM

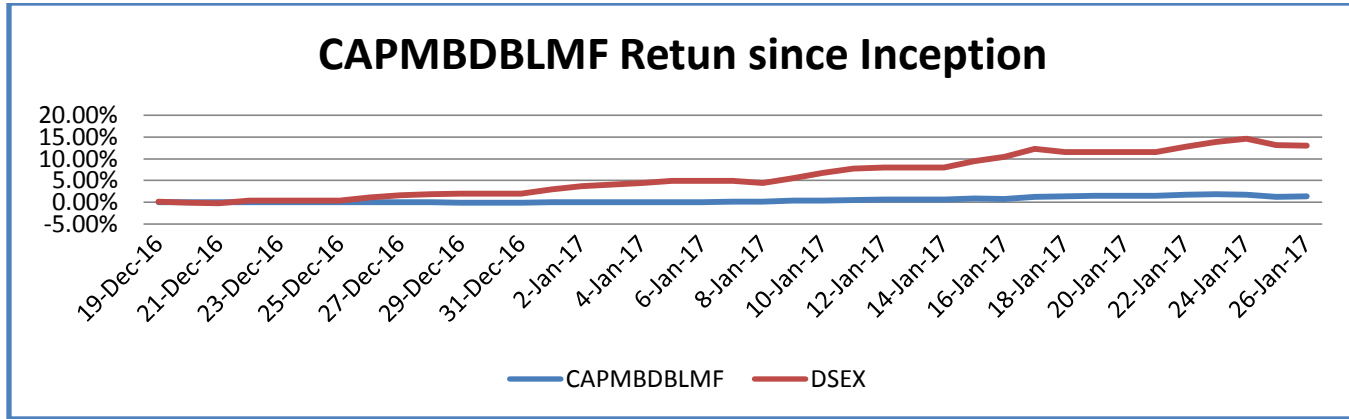
CAPM has the credibility and experience of launching and managing funds professionally. We are successfully managing Institutional Portfolios of different institutions and two mutual funds; one is CAPM Unit Fund, which is an open-end mutual fund with unlimited size and life and also the first and only digitized open-end mutual fund in Bangladesh which is transacted through a dedicated online based transaction module and the other one is CAPM BDBL Mutual Fund 01, which is a closed-end mutual fund.

**CAPM has generated a cost adjusted return of 5.44% (net of all cost) for year 2015-2016 for CAPM Unit Fund, whereas the market return was -1.42% (without cost adjustment) only. This means even in this year’s turbulent market, benchmark index has been outperformed by more than 6%. We are confident that the performance of CAPM IBBL Islamic Mutual Fund will be even better!**

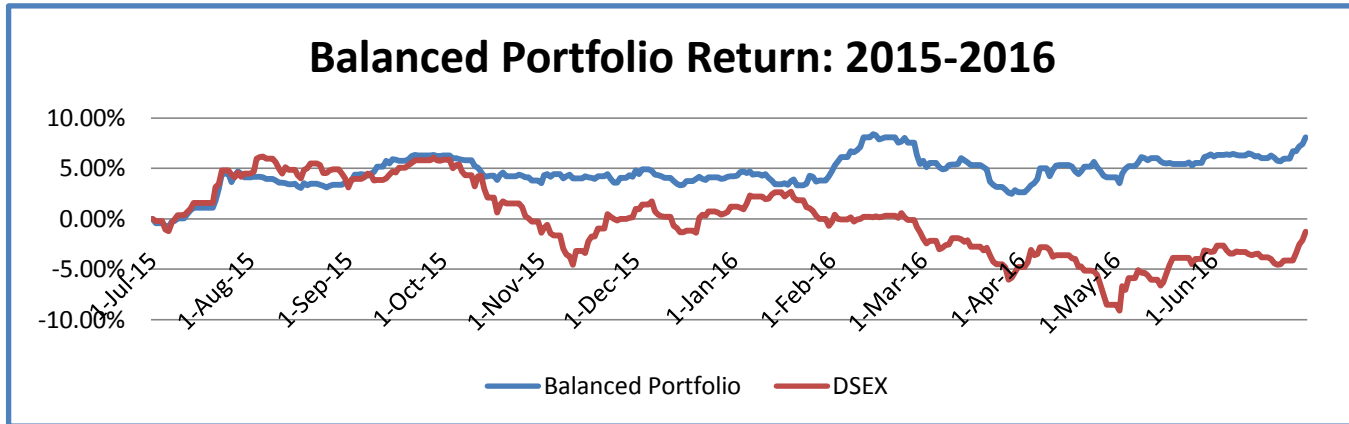


**We have also generated an YTD return of above 6% in CAPM Unit Fund since 1 July 2016.** Current NAV per unit of CAPM Unit Fund at Market Price is Tk. 106.04 and at Cost Price Tk. 103.50 as on 26 January 2017.

**CAPM has generated a return of 1.36%** since its operations (29 December 2016) for CAPM BDBL Mutual Fund 01;

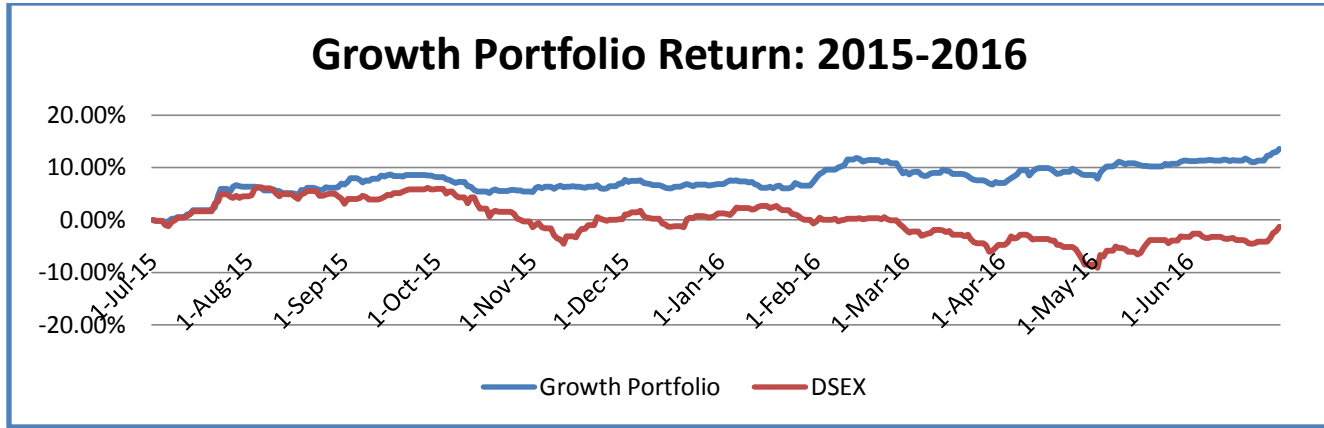


CAPM is also successfully maintaining the institutional client’s portfolios under its Institutional Portfolio Management Services Account. **CAPM has generated a cost adjusted portfolio return of above 8.00% on Balanced Portfolios for the year ended 2015-2016** whereas the market return was -1.42% (without cost adjustment).

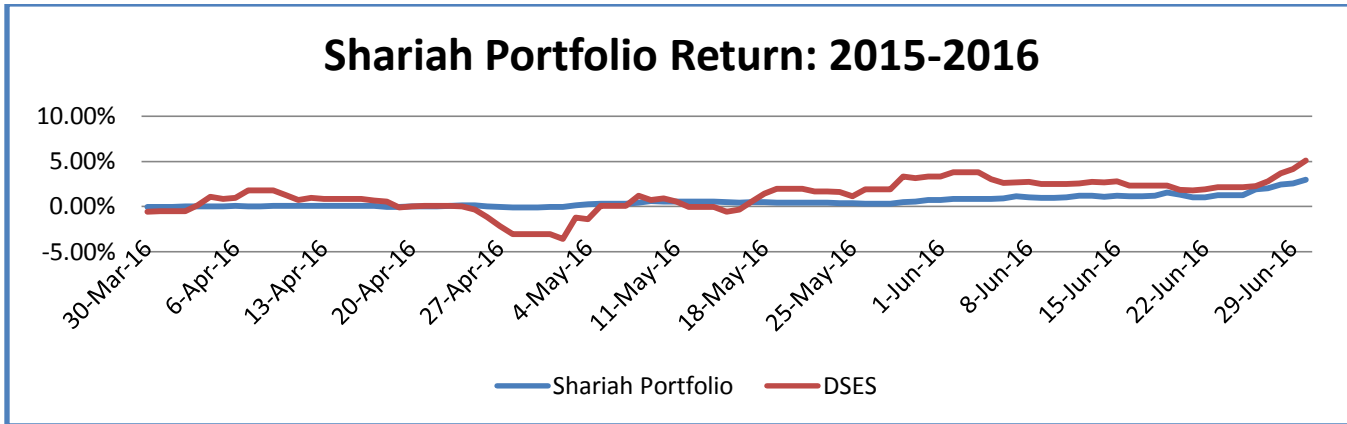


**CAPM has generated a cost adjusted portfolio return of above 12% on Growth Portfolios for the year ended 2015-2016** whereas the market return was -1.42% (without cost adjustment).





CAPM has also generated a cost adjusted annualized portfolio return of above 10% on Shariah Portfolios for the year ended 2015-2016 whereas the market return was relatively flat;



The Asset Manager, CAPM (Capital & Asset Portfolio Management) Company Limited, is a new generation, efficient and the most transparent AMC in Bangladesh. CAPM always provides highest level of disclosures on the funds managed by them compared to any other AMC in the industry. You may see a specimen of the 'disclosure' of existing mutual fund in our website [www.capmbd.com](http://www.capmbd.com).



### 6.3.2 Key officials of CAPM

#### **Mr. SM Mahmud Hussain CEO & CIO**

Mr. Hussain performs both the roles of CEO as well as CIO in the company. Mr. SM Mahmud Hussain, CFA possesses advanced level of understandings and knowledge on capital market operations, financial management techniques, financial derivatives, asset management and fund management practices.

Mr. Hussain has educational background in three broad areas of finance. He is a CFA charter holder, has double MBA, one in Development Management from IBA, Dhaka University and other in Finance from International University of Japan, Japan. He also holds a Masters degree in Mathematical Finance from Oxford University and a post-graduate Certificate in Finance from Stern Business School of New York University.

Mr. Hussain has more than two decades of wide ranging local and global experience in financial services markets with world recognized organizations including World Bank, Deutsche Bank and Citigroup UK. Prior to joining CAPM, Mr. Hussain had been the Director of Capital markets & Banking, Citigroup UK, London, UK since 2006.

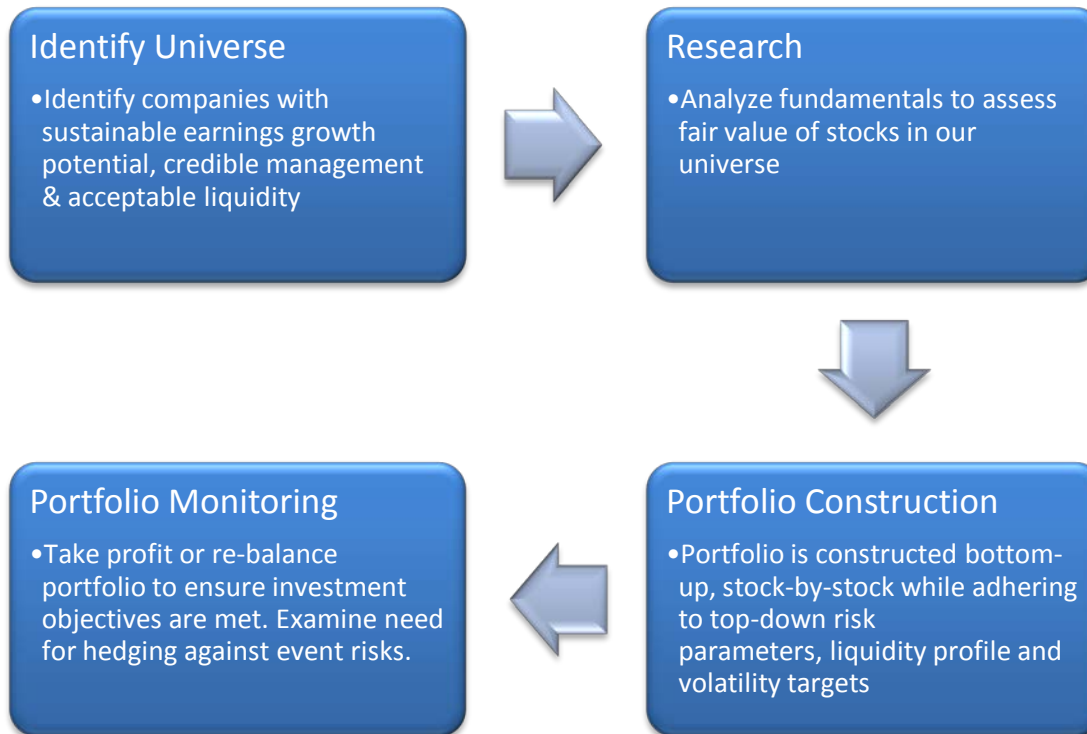
#### **Mr. Chandan Wasif Vice President, Investment Management & Investment Research**

Mr. Wasif is associated with the Investment Team as Investment Manager. He possesses a good experience on Asset Management businesses. Before joining CAPM, Mr. Wasif served InvestAsia Capital and Asset Management Limited for one and half year. Mr. Wasif has strong skills in technical as well as fundamental analysis of securities and bonds. He has an experience of six and half years in the Investment Management areas. With a total capital market experience of above eight years Mr. Wasif maintains a very good corporate relation with different parties including the regulators.

Mr. Wasif also possesses consulting experiences in company formation and licensing, feasibility studies, business plans and regulatory affairs. He has provided company establishment consultancy services to various reputed local and international organizations including Kawasaki Kisen Kaisha, Ltd. of Japan.

Mr. Wasif has received different trainings on fundamental and technical analysis from various resource persons and institutions. He has a MBA on Finance from East West University, Bangladesh.

### 6.3.3 Investment Process of the Fund

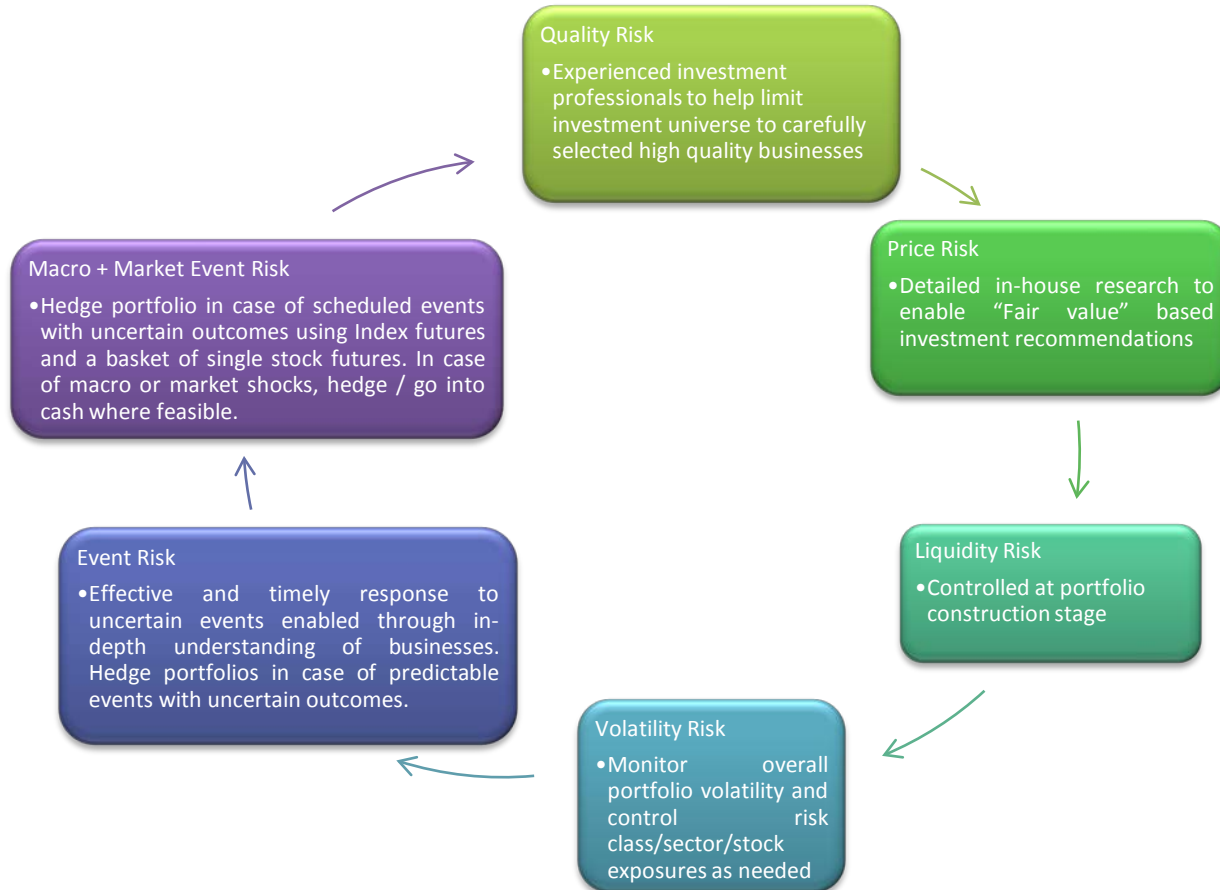


#### 6.3.4 Investment Philosophy of the Fund

|                            |  |
|----------------------------|--|
| Active Management          | <ul style="list-style-type: none"><li>• Active portfolio management style; geared to exploit opportunities and ensure that portfolios reflect the best investment opportunities at all times</li></ul> |
| Quality Assets             | <ul style="list-style-type: none"><li>• Rigorous search for good companies with long term sustainable growth and management track record</li></ul>   |
| Fundamentals Based         | <ul style="list-style-type: none"><li>• Investment process utilizes both 'Top down' and 'Bottom up' approaches to identify fundamentally sound companies</li></ul>                                     |
| Research Driven            | <ul style="list-style-type: none"><li>• Investment decisions are driven by extensive macroeconomic and company research</li></ul>  |
| Integrated Risk Management | <ul style="list-style-type: none"><li>• Risk management is embedded in the investment process</li></ul>  |
| Discipline                 | <ul style="list-style-type: none"><li>• Investment decisions are an output of a logical and disciplined investment process</li></ul>   |

### 6.3.5 Risk Management Process of the Fund

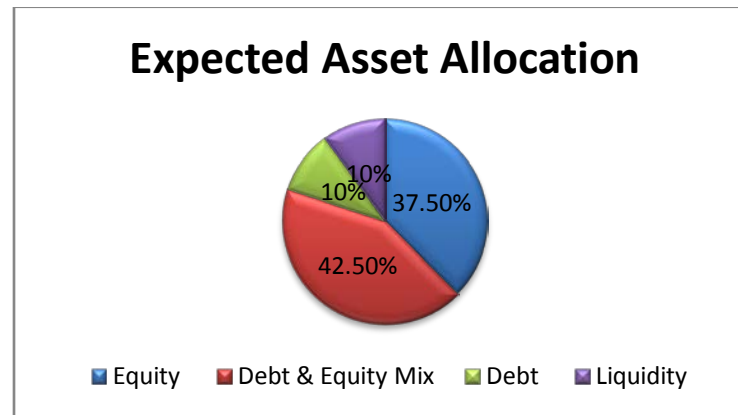
CAPM IBBL Islamic Mutual Fund is particularly concentrated on generating better Risk Adjusted Return with the aim to fulfill the investors' as well as fund's investment objectives. In order to manage the risks of the fund investment CAPM has developed a dedicated risk management process for the CAPM IBBL Islamic Mutual Fund.



### 6.3.6 Expected Asset Allocation of the Fund

The total asset of **CAPM IBBL Islamic Mutual Fund** will be allocated maintaining the rules and regulations of the Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001 and other laws of the land.

The achievement of the target return and/or the investment objective of a fund are exceptionally correlated with the asset allocation decision of the fund. Valuing the importance of the asset allocation decision, CAPM (Capital & Asset Portfolio Management) Company Limited as the Asset Manager of the fund will actively coordinate the asset allocation process in order to validate the harmonization of it with the investment objective of the fund. However, the initial asset allocation structure of the fund could be as depicted in the figure below.



### 6.4 The Shariah Advisory Board

The first Shariah Advisory Board of the fund is constituted with the following members under Shariah Advisory Board Guidelines, 2016 of CAPM Company Limited;

| SL. No. | Name                            | Designation      | Work Involvements                                |
|---------|---------------------------------|------------------|--|
| 1       | Mr. M. Azizul Huq               | Chairman         | Chairman of Shariah Council of Dhaka Bank Ltd.   |
| 2       | Mr. SM Mahmud Hussain           | Member Secretary | Chairman, CAPM Venture Capital & Finance Limited |
| 3       | Dr. Hasan Mohammad Moinuddin    | Member           | Shariah Supervisory Committee, IBBL              |
| 4       | Dr. Mohammad Manjur - e - Elahi | Member           | Shariah Supervisory Committee, IBBL              |
| 5       | Chandan Wasif                   | Member           | Investment Manager, CAPM Company Limited         |

The changes in the Shariah Advisory Board are subject to compliance of the “Shariah Advisory Board Guidelines, 2016” and intimation to the Commission.



**The Shariah Advisory Board shall perform the following responsibilities:**

- a) prepares guidelines and methodologies for selecting/screening of companies/securities/ instruments to be acceptable as per Shariah principles;
- b) recommends companies/securities/instruments for investment, consistent with the guidelines and methodologies;
- c) certifies/approves the criteria of identifying prohibited incomes and recommending distribution of those prohibited income to any charitable organization;
- d) certifies at the end of each accounting year that all investments and incomes accounted for are Shariah compliant;
- e) any other responsibilities determined by the Commission or specified in the constitutive documents of the fund;

**6.5 The Auditor**

The Trustee shall appoint auditor for the fund with reasonable fees, where the incumbent auditor 'if any' shall be eligible for re-appointment for up to three consecutive terms of one year each. Thereafter, the auditor shall only be eligible for appointment after the lapse of at least one year.

The Trustee, ICB has appointed **Rahman Mostafa Alam & Co., Chartered Accountants** as the Auditor of the Fund for the First accounting period. It is one of the reputed and older audit firms of the country.

## 7. Financial Charges

### 7.1 Limitation of Expenses

The initial issue expenses in respect of the Fund shall not exceed 5% of the collected amount of the Fund raised under the Scheme or any ceiling as determined by the AMC which is approved by the Commission and the Trustee and will be amortized throughout life of the fund on a straight-line method.

The total expenses charged to the Fund (except the amortization of initial issue expenses) including transaction cost in the form of stock brokerage against buy and sale of securities forming a part of acquisition or disposal cost of such securities, transaction fees payable to the Custodian against acquisition or disposal of securities, the annual registration fees payable to the Commission, audit fees and other professional fees, advisory fees, cost for publication of reports and periodicals, bank charge, etc., shall not exceed 4% of the weekly average net assets outstanding of the Fund during any accounting year.

### 7.2 Fees and Expenses

The Fund will pay the fees of Asset Manager, the Trustee and the Custodian together with any other fees, commissions and expenses as may arise from time to time. The Fund will bear its own costs and expenses incurred/accrued in connection with its formation, promotion, registration, public offering together with certain other costs and expenses incurred in its operations, including without limitation expenses, legal & consulting service, auditing, other professional fees, advisory fees & expenses, brokerage, share/debenture registration expenses and fees due to BSEC, CDBL, DSE and CSE. The Fund will also bear all the other incidental expenses including printing, publication and stationery relating to its smooth and fair operations. Major expenses of the Fund are detailed as follows:

- **Issue and Formation Expenses**

Issue and formation expenses are estimated to be not over 5% of the collected fund size. The issue and formation expenses will be amortized within 10 (Ten) years on a straight-line method. The estimated expenses (actual expenses may vary from the estimated expenses which are listed below) for the issue and formation of the Fund are presented below:

| SL. No. | Expense Head                                   | Percentage | Amount (Total) | Sub-Total/Basis | Description  |
|---------|--|------------|----------------|-----------------|--|
| 1       | Formation Fee Payable to AMC                   | 1.00%      | 8,000,000.00   | Set-Fee         | Formation Fee to AMC on Collected Fund of Approved Fund Size   |
| 2       | Management Fee for Pre-Scheme Formation Period | 1.13%      | 9,000,000.00   | On Scheme       | Management Fee for AMC for pre-scheme formation period (Approximate) as per BSEC Directive (No.: SEC/CMRRCD/2009-193/160) dated May 28, 2014 |



|              |  |              |                      |              |  |
|--------------|--|--------------|----------------------|--------------|--|
| <b>3</b>     | Legal and Regulatory Expenses                | 0.85%        | 6,792,500.00         |              |  |
|              |  |              |                      | 1,600,000.00 | BSEC Registration Fees (0.2% of initial fund size)   |
|              |  |              |                      | 10,000.00    | BSEC Application Fees  |
|              |  |              |                      | 1,355,000.00 | DSE Listing Fees (Up to 10 Crore, @0.25% and if > 10 Crore @ 0.15% of size of fund, Tk. 50,000 scrutiny fee and Tk. 5,000 documentation fee) |
|              |  |              |                      | 1,355,000.00 | CSE Listing Fees   |
|              |  |              |                      | 122,500.00   | CDBL Fees (Securities Transaction Fee Tk. 150,000.00 + Documentation fee Tk. 2,500.00)   |
|              |  |              |                      | 750,000.00   | Trustee Fee expense for pre-listing period.  |
|              |  |              |                      | 1,500,000.00 | Legal Advisory Fees  |
|              |  |              |                      | 100,000.00   | Trust Deed Registration Fees   |
| <b>4</b>     | Printing, Publication and Marketing Expenses | 1.13%        | 9,000,000.00         |              |  |
|              |  |              |                      | 2,500,000.00 | Publication of Abridged version Prospectus, IPO notification in daily news paper.  |
|              |  |              |                      | 500,000.00   | Publication of PSI, Public notices etc. (If any)   |
|              |  |              |                      | 1,500,000.00 | Printing of Prospectus and Marketing Materials   |
|              |  |              |                      | 2,000,000.00 | Road Show for IPO  |
|              |  |              |                      | 2,500,000.00 | Other Promotional and Marketing & Advertisement Expenses   |
| <b>6</b>     | Other Expenses                               | 0.55%        | 4,400,000.00         |              |  |
|              |  |              |                      | 2,000,000.00 | Post Issue Manager, Data entry, Data processing & other related job  |
|              |  |              |                      | 500,000.00   | Lottery Conduction costs   |
|              |  |              |                      | 400,000.00   | Courier & distribution Expense   |
|              |  |              |                      | 1,500,000.00 | Miscellaneous  |
| <b>Total</b> |  | <b>4.65%</b> | <b>37,192,500.00</b> |              |  |



#### ▪ **Management Fee**

The Asset Management Company shall be entitled to charge the Fund an annual management fee for Investment Management Services rendered to the fund at the following rate:

- I. @ 2.5% per annum of the weekly average Net Asset Value (NAV) of the Fund up to Tk. 50,000,000.00 (Taka five crore).
- II. @ 2% per annum for additional amount of the weekly average NAV of the Fund over Tk. 50,000,000.00 (Taka five crore) up to Tk. 250,000,000.00 (Taka twenty-five crore).
- III. @ 1.5% per annum for additional amount of the weekly average NAV of the Fund over Tk. 250,000,000.00 (Taka Twenty five crore) up to Tk. 500,000,000.00 (Taka fifty crore).
- IV. @ 1% per annum for additional amount of the weekly average NAV of the Fund over Tk. 500,000,000.00 (Taka fifty crore).

The above fees shall be paid semi-annually in advance basis by the Fund. The total Pre-scheme management fee for the CAPM IBBL Islamic Mutual Fund will be accumulated and realized as per BSEC rules.

#### ▪ **Trustee Fee**

The Trustee shall be paid an annual Trusteeship Fee @ 0.15% of the Net Asset Value (NAV) of the Fund on semi-annual in advance basis, during the life of the Fund or as may be agreed upon between the parties.

#### ▪ **Custodian Fee**

The Fund shall pay to the Custodian a safe keeping fee @ 0.15% of balance (dematerialized and non-dematerialized) securities held by the fund calculated on the basis of average month end value per annum. Any out of pocket expenses may be applicable to the Fund operation time to time.

#### ▪ **CDBL Fee**

For listing with the Central Depository of Bangladesh Limited (CDBL) there are both initial and recurring expenses. An amount of Tk. 500,000.00 (Taka Five Lac) only as security deposit shall be kept with CDBL without interest during the whole life of the Fund, while an IPO fee of Tk. 150,000.00 (Taka One Lac Fifty Thousand Only) will be paid during the public subscription. Depository connection fee is Tk. 6,000.00 (Taka Six Thousand) only per annum. Annual fee on Face Value of Issued Eligible Security is Tk. 100,000.00 (Taka One Lac) only and Documentation fee is Tk. 2,500.00 (Taka Two Thousand Five Hundred) only.

#### ▪ **Fund Registration and Annual Fee**

The Fund has paid Tk. 1,600,000.00 (Taka Sixteen Lac, @ 0.20% of Fund Size) only to the Bangladesh Securities and Exchange Commission as registration fee. In addition to that the Fund will have to pay @ 0.10% of the Fund value or Tk. 50,000.00 (Taka Fifty Thousand) only whichever is higher as annual fee in terms of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ or as determined by the Commission from time to time.

The above registration fee of Tk. 1,600,000.00 (Taka Sixteen Lac) was paid on base of initial fund size of Tk. 80 Crore. This fee may be adjusted after IPO subscription and final fund size.

#### ▪ **Listing Fee**

The usual listing fees to DSE and CSE, annual renewal fees and other charges are to be paid by the Fund. As per listing regulation an initial listing fee for mutual funds at the following rates:



- (i) Up to Taka 10 crore of size of the fund @ 0.25%
- (ii) Above Taka 10 crore of size of the fund @ 0.15%

Every issuer of listed securities shall pay annual listing fee to the exchange within 31st March of every Gregorian calendar year at the following rates:

- (i) Up to Taka 100 crore of size of the fund @ 0.05%
- (ii) Above Taka 100 crore of size of the fund @ 0.02%.

▪ **Audit Fee**

The audit fee will be Tk. 25,000.00 (Taka twenty Five Thousand) only, plus VAT, for the first year and Trustee will fix fees for subsequent years.

▪ **Brokerage Fee**

The fund will pay to the stock broker commission for executing the trades on behalf of the Fund as per agreement with the broker(s).

▪ **Shariah Advisory Board Fee**

The fund shall pay to Asset Management Company a fee for Shariah Advisory Board approved by the Board of CAPM Company Limited and Trustee of the Fund from time to time.

▪ **Other Expenses**

As per terms of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ and trust deed AMC may charge the expenses for fund launching. Those expenses are reimbursable to the AMC.

## 8. Capital Structure, Tax Status and Rights of Unit Holders

### 8.1 Size of the Issue

The initial size of the Fund shall be Tk. 800,000,000.00 (Taka Eighty Crore) only divided into 80,000,000 (Eight Crore) Units of Tk. 10.00 (Taka Ten) each which may be increased from time to time through issue of Re-Investment Units by the Asset Manager subject to approval of the Trustee at the Dividend Meeting. The initial distribution of the Fund's Unit holding shall be as follows:

| Subscriber                       | No. of Units      | Face Value (Tk.) | Amount (Tk.)          | Status               |
|----------------------------------|-------------------|------------------|-----------------------|----------------------|
| Sponsor                          | 50,000,000        | 10               | 500,000,000.00        | Subscribed           |
| Reserved for Mutual Funds        | 3,000,000         | 10               | 30,000,000.00         | Yet to be Subscribed |
| EIIs other than Mutual Funds     | 12,000,000        | 10               | 120,000,000.00        | Yet to be Subscribed |
| Non-Resident Bangladeshis (NRBs) | 3,000,000         | 10               | 30,000,000.00         | Yet to be Subscribed |
| General Public                   | 12,000,000        | 10               | 120,000,000.00        | Yet to be Subscribed |
| <b>Total</b>                     | <b>80,000,000</b> | <b>10</b>        | <b>800,000,000.00</b> |                      |

Unit Certificates for 100% of the Sponsor's contribution amounting to Tk. 500,000,000.00 (Taka Fifty Crore) only shall be subject to a lock-in period of 1 (one) year from the date of listing in the Stock Exchange(s) and 1/10<sup>th</sup> of the Sponsor's contribution amounting to Tk. 50,000,000 (Taka Five Crore) only shall be subject to a lock-in period of full time of the Fund. Also, All Pre-IPO Placement will be in 6 months lock-in period from the date of listing of the Fund.

### 8.2 Sponsor's Subscription

Islami Bank Bangladesh Limited, the sponsor, has already subscribed Tk. 500,000,000.00 (Taka Fifty Crore) only worth of Units equivalent to 50,000,000 (Five Crore) Units of Tk. 10 (Taka Ten Only) each at par on 13 November 2016, the effective date.

### 8.3 Public offer

| Category                 | Particulars   | Number of Units   | Issue Price Unit | Amount in BDT         |
|--------------------------|---|-------------------|------------------|-----------------------|
| Eligible Investors (EIs) | 10% of IPO i.e. 3,000,000 units shall be reserved for Mutual Funds  | 3,000,000         | 10.00            | 30,000,000.00         |
|                          | 40% of IPO i.e. 12,000,000 units shall be reserved for other Eligible Investors (EIs)                           | 12,000,000        |                  | 120,000,000.00        |
| General Public           | 10% of IPO i.e. 3,000,000 units shall be reserved for Non-Resident Bangladeshis (NRBs)                          | 3,000,000         |                  | 30,000,000.00         |
|                          | 40% of IPO i.e. 12,000,000 units shall be reserved for General Public including ক্ষতিগ্রস্ত মুদ্রা বিনিয়োগকারী | 12,000,000        |                  | 120,000,000.00        |
| <b>Total</b>             |   | <b>30,000,000</b> |                  | <b>300,000,000.00</b> |



#### 8.4 Tax Status

The investment tax benefits of the fund would always comply with country's Finance Act and government tax policies. However, currently the following two benefits are available;

- (i) **Income from the fund is tax exempted upto Tk. 25,000.00 (Taka Twenty Five Thousand Only) as per section 44(2) of the Income Tax Ordinance 1984.**
- (ii) **Maximum 15% tax rebate benefit on the investment amount upto 25% of income or Tk. 1.5 Crore whichever is lower.**
- (iii) **Gain Tax is fully exempted for the investment in Mutual Funds according to এস. আর. ও. নং ১৯৬-আইন/আয়কর/২০১৫.**

#### 8.5 Rights of the Unit Holders

- **Voting Rights**

All the Unit holders shall have usual voting rights. Voting right can be exercised in person or by proxy in a meeting held in connection with any proposal to amend the characteristics of the Fund or any other agenda of meeting called by the Trustee in the circumstances mentioned in the Trust Deed or the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১. In case of show of hands, every Unit holder present in person or/and by proxy shall have only one vote and on a poll, every Unit holder present in person and/or by a proxy shall have one vote for every Unit of which he/she is the holder.

- **Transfer of Units**

Units of the Fund are transferable by way of inheritance/gift and/or by specific operation of law.

- **Dividend**

All the Unit holders have equal but proportionate right in respect of dividend.

- **Periodic Information**

All the Unit holders of the Fund shall have the right to receive the annual report and audited accounts of the Fund. Moreover, the Unit holders shall be informed of the NAV of the Fund on weekly basis through newspaper, the website of the Asset Manager, exchanges and any other means as the Asset Manager may deem fit.

- **Accounts and Information**

The Fund's financial year will be closed on 30 June every year. Annual report or major head of income and expenditure account and balance sheet in line with schedule VI of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ will be published within 45 (forty five) days from the closure of each accounting year.

Furthermore, the NAV of the Fund, NAV per Unit, any suspension or alteration of the calculation of NAV of the Fund will be published/notified to DSE and CSE by the Asset Manager as per বিধিমালা.

- **Beneficial Interest**

The Unit holders shall preserve only the beneficial interest in the trust properties on pro rata basis of their ownership of the respective Schemes.



## 9. Winding Up, Redemption and Conversion

### 9.1 Effect of winding up

On and from the date of the notice of the winding up of the Fund, the Trustee and the Asset Management Company shall cease to carry on any business activities of the Fund.

### 9.2 Procedure of Winding up

1. The Fund shall be wound up on the expiry of the ten-year tenure of the Fund from the date of first listing.
2. The Fund may also be wound up on the happening of any event, which, in the opinion of the Trustee with approval from the Commission, requires the scheme to be wound up;
3. The Fund may also be wound up if 75% of the unit holders of the scheme pass a resolution that the Fund should be wound up;
4. The Fund may also be wound up if the Commission so directs in the interest of the unit-holders;
5. Where the Fund is to be wound up in pursuance to the above, the Trustee and the Asset Management Company shall give simultaneously separate notice of the circumstances leading to the winding up of the Fund to the Commission and the Stock Exchange(s) and if winding up is permitted by the Commission, shall publish in two national daily newspapers including a Bengali newspaper having circulation all over Bangladesh.

### 9.3 Manner of Winding up and Redemption

1. The Trustee shall call a meeting of the unit holders within the period stipulated by the বিধিমালা from the date of notice to consider and pass necessary resolutions by three-fourth majority of the unit holders present and vote at the meeting for authorizing the Trustee and/or AMC or the person authorized to take steps for winding up of the Fund. 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 at 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 the period stipulated by the বিধিমালা 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 winding up, net assets available for distribution to the unit holders and a certificate from the auditor of the Fund.

### 9.4 Conversion

The conversion of CAPM IBBL Islamic Mutual Fund from Close-End Mutual Fund to Open-End Mutual Fund shall be done to comply with the Conversion Guidelines issued by the BSEC.

## 10. Conditions for Public Offer, Allotment, Subscription and Refund of Units

As per provisions of the ডিপজিটরি আইন, ১৯৯৯, and regulations made there under, unit of the Fund will be issued in dematerialized form, only and, for this purpose, CAPM IBBL Islamic Mutual Fund has signed an agreement with the Central Depository Bangladesh Limited (CDBL). Therefore, all transfers/transmissions, splitting or conversion will take place in the CDBL system.

### 10.1 Issue of Units

| Subscriber                       | No. of Units      | Face Value (Tk.) | Amount (Tk.)          | Status               |
|----------------------------------|-------------------|------------------|-----------------------|----------------------|
| Sponsor                          | 50,000,000        | 10               | 500,000,000.00        | Subscribed           |
| Reserved for Mutual Funds        | 3,000,000         | 10               | 30,000,000.00         | Yet to be Subscribed |
| ElIs other than Mutual Funds     | 12,000,000        | 10               | 120,000,000.00        | Yet to be Subscribed |
| Non-Resident Bangladeshis (NRBs) | 3,000,000         | 10               | 30,000,000.00         | Yet to be Subscribed |
| General Public                   | 12,000,000        | 10               | 120,000,000.00        | Yet to be Subscribed |
| <b>Total</b>                     | <b>80,000,000</b> | <b>10</b>        | <b>800,000,000.00</b> |                      |

### 10.2 Minimum Subscription for the Issue

The target amount to be raised in respect of the Fund is **Tk. 800,000,000.00 (Eighty Crore Only)** including Sponsors portion and Pre-IPO Placement. As per the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, the minimum subscription will be **50 percent of the Fund's target amount i.e. Tk. 400,000,000.00 (Forty Crore Only)** of the targeted amount Tk. 800,000,000.00 (Eighty Crore) only. The Trustee and Asset Management Company shall be liable to refund the entire amount collected if total subscription stands below **Tk. 400,000,000.00 (Forty Crore)** only.

### 10.3 Conditions of Allotment

- 80,000,000 units of Tk. 10 (Taka Ten) each will be allotted among the Resident and Non-Resident Bangladeshis (NRBs), Affected Small Investors, Mutual Funds and Collective Investment Schemes.
- In case of oversubscription, CAPM (Capital & Asset Portfolio Management) Company Limited will conduct an open lottery of all the applications received in the presence of representatives from the Stock Exchanges, BSEC & the applicants.
- Public Offer Distribution System:
  - Out of public offering **Tk. 3,00,00,000.00 (Taka Three Crore) only** shall be reserved for Mutual Funds, **Tk. 12,00,00,000.00 (Taka Twelve Crore) only** shall be reserved for the Eligible Institutional Investors (ElIs), **Tk. 3,00,00,000.00 (Taka Three Crore) only** for Non-Resident Bangladeshis (NRBs) and the remaining units of **Tk. 12,00,00,000.00 (Taka Twelve Crore) only** shall be reserved for subscription by other General Public including ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী;
  - All securities/units stated in para a) shall be offered for subscription and subsequent allotment by the Asset Management Company subject to any restriction which may be imposed from time to time by the BSEC;
  - In case of **over-subscription in all of the 4 (four) sub-categories** mentioned in para (a), the Asset Management Company shall conduct an open lottery of all the applications received under each category separately in accordance with the BSEC's instructions;

- d) **20% of the securities reserved for other general public shall be reserved for কতিয়ছ ক্ষুদ্র বিনিয়োগকারী. In case of under-subscription under any of sub categories of Eligible Investors category or General Public category, the unsubscribed portion shall be added to other sub category of the same category. And even after adding the unsubscribed portion of the sub-category with other sub-category under the same category, if the category is still remain under-subscribed, the unsubscribed portion shall be fulfilled by oversubscribed portion (if any) of other category. In case of over subscription in the general public category, the Asset Management Company shall conduct an open lottery. In case of over subscription in the eligible investor's category, securities shall be allotted on pro-rata basis;**
- e) The lottery as stated in para c) and d) shall be conducted in presence of the authorized representatives of the BSEC, Stock Exchange(s) concerned, Sponsor, Asset Management Company, Trustee and the applicants.
4. In case of any difficulty in respect to implementation of the conditions of offer and allotment of units, the allotment of units will be made in such a manner as determined by the BSEC.
  5. The Fund reserves the right to accept or reject any application in whole or in part.
  6. In case of joint application, all correspondence will be made with the person whose name appears first.
  7. The Bangladesh Securities and Exchange Commission has decided that the units allotted to an applicant through public offer may be forfeited by BSEC, if the BO account of the said applicant is found closed at the time of allotment of units. So, all Public Offer applicants are required to keep their BO accounts operational till allotment of Public Offer units.

#### 10.4 Application for Subscription

1. Application/buy instruction for shares may be made for a minimum lot for **500 units** to the value of **Taka 5,000/- (Five Thousand Only)**. Prospectus may be obtained from the registered office of the AMC, and Stock Exchanges. Application/buy instruction must not be for less than **500 units**. Any application/buy instruction not meeting this criterion will not be considered for allotment purpose.
2. An applicant for public issue of units shall submit application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. subscription closing date).
3. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant.
4. Application/buy instruction must be in full name of individuals or limited companies or trusts or societies or mutual funds and not in the name of firms, minors or persons of unsound mind. Application/buy instruction from insurance, financial and market intermediary companies and limited companies must be accompanied by Memorandum and Articles of Association.
5. **An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
6. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money too.
7. **Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of the application money and/or forfeiture of unit(s)**



**before or after issuance of the same by the AMC of mutual fund. The said forfeited application money or unit(s) will be deposited in account of the Bangladesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.**

8. An IPO applicant shall ensure his/her BO account remains operational till the process of IPO (including securities allotment or refund of IPO application/buy instruction) is completed. If any BO account mentioned in the application/buy instructions found closed, the allotted security may be forfeited by BSEC.
9. Bangladeshi Nationals (including non-resident Bangladeshi Nationals working abroad) and Foreign Nationals shall be entitled to apply for units.
10. Non Resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of “CAPM IBBL Islamic Mutual Fund” for an amount equivalent to the application money, with their application to concerned Stockbroker/Merchant Banker. The draft (FDD) shall be issued by the Bank where the applicant maintains NITA/Foreign Currency account debiting the same account. No banker shall issue more than two drafts from any NITA/Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.
11. The bank draft (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.
12. The IPO subscription money collected from successful applicants (other than NRB applicants) by the Stockbrokers/Merchant Bankers will be remitted to the Mutual Fund’s **Bank Account; A/C Name: CAPM IBBL Islamic Mutual Fund, A/C No. 0291210000343 with Union Bank Limited, Banani Branch, Dhaka, Bangladesh** for this purpose.
13. The IPO subscription money collected from successful NRB applicants in **US Dollar or UK Pound Sterling or EURO** shall be deposited to three FC accounts opened by the AMC of Mutual Fund for IPO purpose are as follows:

| Sl. No. | Account Name                  | Currency | Account Number | Bank               | Branch  |
|---------|-------------------------------|----------|----------------|--------------------|---------|
| 01      | CAPM IBBL Islamic Mutual Fund | USD      | 0029920000014  | Union Bank Limited | Gulshan |
| 02      | CAPM IBBL Islamic Mutual Fund | GBP      | 0029960000018  | Union Bank Limited | Gulshan |
| 03      | CAPM IBBL Islamic Mutual Fund | EUR      | 0029950000017  | Union Bank Limited | Gulshan |

14. তালিকাভুক্ত ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারীগণ সকল পাবলিক ইস্যুতে একক অথবা যৌথ হিসাবের যে কোনটি অথবা উভয়টি হতে সংরক্ষিত ২০% কোটায় আবেদন করতে পারবেন। তবে তারা ইচ্ছা করলে ক্ষতিগ্রস্ত সংরক্ষিত ২০% কোটায় আবেদন না করে সাধারণ বিনিয়োগকারীদের জন্য নির্ধারিত কোটায় আবেদন করতে পারবেন।

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

### 10.5 Allotment

The AMC of mutual Fund reserves the right of accepting any application, either in whole, or in part. **Within 02 (two) working days of conducting lottery**, the AMC shall issue **allotment letters** in the names of successful applicants in electronic format with digital signatures and send those to respective Stock Exchange in electronic form. On the next working day, Stock Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format. The Stockbrokers/Merchant Bankers shall inform the successful applicants about allotment of securities.

## 11. Application for Subscription of Units during IPO

### 11.1 List of Stock Broker/Merchant Bankers to Receive IPO Application

#### 11.1.1 List of Stock Broker of DSE

| SL. No | Name of TREC Holder                   | TREC No. | SL. No | Name of TREC Holder                           | TREC No. |
|--------|---------------------------------------|----------|--------|---|----------|
| 1      | A .B Ispahani Securities Ltd.         | 1        | 37     | Shahiq Securities Ltd.(Shanta Securities Ltd. | 39       |
| 2      | S & H Equities Ltd.                   | 2        | 38     | Haji Ahmad Brothers Securities Ltd.           | 41       |
| 3      | Shyamol Equity Management Ltd.        | 3        | 39     | Rapid Securities Ltd.                         | 42       |
| 4      | Phoenix Securities Ltd.               | 4        | 40     | AB & Company Ltd.                             | 43       |
| 5      | Harun Securities Ltd.                 | 5        | 41     | M-Securities Ltd.                             | 44       |
| 6      | A. K. Khan Securities Ltd.            | 6        | 42     | Federal Securities And Investment Ltd.        | 45       |
| 7      | Apex Investments Ltd.                 | 7        | 43     | SAHCO Securities Ltd.                         | 46       |
| 8      | Crest Securities Ltd.                 | 8        | 44     | Khurshid Securities Ltd.                      | 47       |
| 9      | International Leasing Securities Ltd. | 9        | 45     | Aries Securities Ltd.                         | 48       |
| 10     | Khwaja Equity Services Ltd.           | 10       | 46     | Al -Muntaha Trading. Co Ltd.                  | 49       |
| 11     | Brac epl stock brokerage Ltd.         | 11       | 47     | Imtiyaz Husain Securities Ltd.                | 50       |
| 12     | Pasha Capital Ltd.                    | 12       | 48     | S. B. Securities Ltd.                         | 51       |
| 13     | MAH Securities Ltd.                   | 13       | 49     | M. Zubair Securities Ltd.                     | 52       |
| 14     | DMR Securities Services Ltd.          | 14       | 50     | Mian Abdur Rashid Securities Ltd.             | 53       |
| 15     | ACE Capital Management Service Ltd.   | 16       | 51     | UGC Securities Ltd.                           | 54       |
| 16     | Adil Securities Ltd.                  | 17       | 52     | Transcon Securities Ltd.                      | 55       |
| 17     | Greenland Equities Ltd.               | 18       | 53     | Alpha Equities Ltd.                           | 56       |
| 18     | Azam Securities Ltd.                  | 19       | 54     | Hasan Securities Ltd.                         | 57       |
| 19     | BDBL Securities Ltd.                  | 20       | 55     | IDLC Securities Ltd.                          | 58       |
| 20     | Royal Capital Ltd.                    | 21       | 56     | Green Delta Securities Ltd.                   | 59       |
| 21     | A. R Chowdhury Securities Ltd.        | 22       | 57     | Global Securities Ltd.                        | 60       |
| 22     | Ershad Securities Ltd.                | 23       | 58     | NCCB Securities & Financial Services Ltd.     | 61       |
| 23     | Vision Capital Management Ltd.        | 24       | 59     | Reliance Brokerage Services Ltd.              | 62       |
| 24     | Arena Securities Ltd.                 | 25       | 60     | Banco Securities Ltd.                         | 63       |
| 25     | EBL Securities Ltd.                   | 26       | 61     | Shahjahan Securities Ltd.                     | 64       |
| 26     | SAR Securities Ltd.                   | 27       | 62     | ASENZ Securities Ltd.                         | 65       |
| 27     | Sadeque Finance Management Ltd.       | 28       | 63     | E-Securities Ltd.                             | 66       |
| 28     | Kazi Firoz Rashid Securities Ltd.     | 29       | 64     | Sinha Securities Ltd.                         | 67       |
| 29     | B. D Finance Securities Ltd.          | 30       | 65     | Popular Equities Ltd.                         | 68       |
| 30     | ETBL Securities & Exchange Ltd.       | 31       | 66     | Mohammad Talha & Co Ltd.                      | 69       |

|     |                                     |     |     |   |     |
|-----|-------------------------------------|-----|-----|---|-----|
| 31  | Bulbul Securities Ltd.              | 32  | 67  | First Capital Securities Ltd.           | 70  |
| 32  | Ibrahim Securities Ltd.             | 33  | 68  | SBC Securities & Investment Ltd.        | 71  |
| 33  | B & B Enterprise Ltd.               | 34  | 69  | H R Securities & Investments Ltd.       | 72  |
| 34  | Rashid Investment Services Ltd.     | 35  | 70  | Prudential Securities Ltd.              | 73  |
| 35  | Daulatunnessa Equities Ltd.         | 37  | 71  | HAC Securities Ltd.                     | 74  |
| 36  | Quayum Securities Ltd.              | 38  | 72  | Multi Securities & Services Ltd.        | 75  |
| 73  | Square Securities Management Ltd.   | 76  | 118 | Doha Securities Ltd.                    | 127 |
| 74  | Royal Green Securities Ltd.         | 77  | 119 | R N I Securities Ltd.                   | 128 |
| 75  | R. N. Trading Ltd.                  | 78  | 120 | ICB Securities Trading Company Ltd.     | 129 |
| 76  | PFI Securities Ltd.                 | 79  | 121 | Thea Securities Ltd.                    | 130 |
| 77  | Latif Securities Ltd.               | 80  | 122 | Harpoon Securities Ltd.                 | 131 |
| 78  | Tamha Securities Ltd.               | 81  | 123 | LankaBangla Securities Ltd.             | 132 |
| 79  | Desa Securities Ltd.                | 85  | 124 | DSFM Securities Ltd.                    | 133 |
| 80  | MAM Securities Ltd.                 | 86  | 125 | Moshihor Securities Ltd.                | 134 |
| 81  | Farida Raquib Securities Ltd.       | 87  | 126 | Kazi Equities Ltd.                      | 135 |
| 82  | Asia Securities Ltd.                | 88  | 127 | Securities Broking & Mgt. Services Ltd. | 136 |
| 83  | Uniroyal Securities Ltd.            | 89  | 128 | Alliance Securities & Management Ltd.   | 137 |
| 84  | Md. Fakhrul Islam Securities Ltd.   | 90  | 129 | AI –Haja Jahanara Securities Ltd.       | 138 |
| 85  | Md. Sahidullah Securities Ltd.      | 91  | 130 | ALOCO Securities Ltd.                   | 139 |
| 86  | Alhaj Securities & Stocks Ltd.      | 93  | 131 | Hedayetullah Securities Ltd.            | 140 |
| 87  | SIBL Securities Ltd.                | 94  | 132 | Midway Securities Ltd.                  | 142 |
| 88  | Salta Capital Ltd.                  | 95  | 133 | K.H.B. Securities Ltd.                  | 143 |
| 89  | Jamal Ahmed Securities Ltd.         | 97  | 134 | City Brokerage Ltd.                     | 145 |
| 90  | Dhanmondi Securities Ltd.           | 98  | 135 | Cosmopolitan Traders (Pvt.) Ltd.        | 146 |
| 91  | Country Stock (Bangladesh)          | 99  | 136 | Fortune Securities (Pvt.) Ltd.          | 147 |
| 92  | ARC Securities Ltd.                 | 100 | 137 | Joytun Securities Intl. Ltd.            | 148 |
| 93  | Dayton Holdings Ltd.                | 101 | 138 | Shakil Rizvi Stock Ltd.                 | 149 |
| 94  | Howlader Equity Services Ltd.       | 102 | 139 | AHC Securities Ltd.                     | 151 |
| 95  | Prime Islami Securities Ltd.        | 104 | 140 | Bangladesh Shilpa Bank (BSB)            | 152 |
| 96  | Ali Securities Co. Ltd.             | 105 | 141 | Bali Securities Ltd.                    | 153 |
| 97  | Island Securities Ltd.              | 106 | 142 | Indicate Securities Consultants Ltd.    | 154 |
| 98  | Islami Bank Securities Ltd.         | 107 | 143 | EMES Securities Ltd.                    | 155 |
| 99  | Remons Investment & Securities Ltd. | 108 | 144 | Standard Bank Securities Ltd.           | 156 |
| 100 | Unique Share Management Ltd.        | 109 | 145 | Gateway Equity Resources Ltd.           | 157 |
| 101 | Ettihad Securities Ltd.             | 110 | 146 | Investment Promotion Services Ltd.      | 158 |
| 102 | Surma Securities Holding Co. Ltd.   | 111 | 147 | Peace Securities Ltd.                   | 159 |

|     |  |     |     |                                       |     |
|-----|--|-----|-----|---------------------------------------|-----|
| 103 | Nouvelle Securities Ltd.               | 112 | 148 | Anwar Securities Ltd.                 | 160 |
| 104 | CMSL Securities Ltd.                   | 113 | 149 | Trustee Securities Ltd.               | 162 |
| 105 | Ahmed Iqbal Hasan Securities Ltd.      | 114 | 150 | SES Company Ltd.                      | 163 |
| 106 | Nabiul Karim Securities Ltd.           | 115 | 151 | Mona Finan. Consultancy & Sec. Ltd.   | 164 |
| 107 | Murshed Securities Ltd.                | 116 | 152 | Haji Mohammad Ali Securities Ltd.     | 165 |
| 108 | A N F Management Company Ltd.          | 117 | 153 | Times Securities Ltd.                 | 166 |
| 109 | Saad Securities Ltd.                   | 118 | 154 | Khurshid Alam Securities Ltd.         | 167 |
| 110 | Dragon Securities Ltd.                 | 119 | 155 | Subvalley Securities Ltd.             | 168 |
| 111 | Sheltech Brokerage Ltd.                | 120 | 156 | Merchant Securities Ltd.              | 169 |
| 112 | SCL Securities Ltd.                    | 121 | 157 | Fareast Islami Securities Ltd.        | 170 |
| 113 | K-Securities and Consultants Ltd.      | 122 | 158 | Shah Mohammad Sagir & Co. Ltd.        | 171 |
| 114 | Shahed Securities Ltd.                 | 123 | 159 | Tobarrak Securities Ltd.              | 172 |
| 115 | A B S Safdar & Co. Ltd.                | 124 | 160 | Hazrat Amanat Shah Securities Ltd.    | 173 |
| 116 | Rose Securities Ltd.                   | 125 | 161 | T. A. Khan Securities Co. Ltd.        | 174 |
| 117 | Dynamic Securities Consultants Ltd.    | 126 | 162 | BLI Securities Ltd.                   | 175 |
| 163 | Peoples Equities Ltd.                  | 176 | 199 | Mika Securities Ltd.                  | 215 |
| 164 | Anchor Securities Ltd.                 | 177 | 200 | Sharp Securities Ltd.                 | 216 |
| 165 | Beximco Securities Ltd.                | 178 | 201 | Rasti Securities Consultant Ltd.      | 217 |
| 166 | JKC Securities Ltd.                    | 179 | 202 | Nexus Securities Ltd.                 | 218 |
| 167 | Commerce Bank Securities and Inv. Ltd. | 180 | 203 | Prime Bank Securities Ltd.            | 219 |
| 168 | UCB Capital Management Ltd.            | 181 | 204 | BRB Securities Ltd.                   | 220 |
| 169 | Nur-E-Alam Siddique & Company Ltd.     | 182 | 205 | Treasure Securities Ltd.              | 221 |
| 170 | C-Maart Securities Ltd.                | 183 | 206 | A. L. Securities Ltd.                 | 222 |
| 171 | Razzak Securities Ltd.                 | 184 | 207 | Mirror Financial Management Ltd.      | 223 |
| 172 | Delta Capital Ltd.                     | 185 | 208 | Mercantile Bank Securities Ltd.       | 224 |
| 173 | G M F Securities Ltd.                  | 186 | 209 | Shohrab Securities & Trade Ltd.       | 225 |
| 174 | Habibur Rahman Securities Ltd.         | 187 | 210 | FAREAST Stocks & Bonds Ltd.           | 226 |
| 175 | Globe Securities Ltd.                  | 189 | 211 | United Financial Trading Co. Ltd.     | 227 |
| 176 | Salam & Company Ltd.                   | 190 | 212 | Conmark Ltd.                          | 228 |
| 177 | Eminent Securities Ltd.                | 191 | 213 | Modern Securities Ltd.                | 229 |
| 178 | IFIC Securities Ltd.                   | 192 | 214 | Expo Traders Ltd.                     | 230 |
| 179 | DBL Securities Ltd.                    | 193 | 215 | Akij Securities Ltd.                  | 231 |
| 180 | Parkway Securities Ltd.                | 194 | 216 | Popular Life Insurance Company Ltd.   | 232 |
| 181 | Jahan Securities Ltd.                  | 195 | 217 | Shahjalal Islami Bank Securities Ltd. | 233 |
| 182 | M&Z Securities Ltd.                    | 196 | 218 | AIBL Capital Market Services Ltd.     | 234 |
| 183 | MTB Securities Ltd.                    | 197 | 219 | PHP Stock & Securities Ltd.           | 235 |

|     |   |     |     |  |     |
|-----|---|-----|-----|--|-----|
| 184 | Coast To Coast Securities Ltd.          | 198 | 220 | Premier Bank Securities Ltd.               | 236 |
| 185 | Stock & Bond Ltd.                       | 199 | 221 | Bank Asia Securities Ltd.                  | 237 |
| 186 | Total Communication Ltd.                | 200 | 222 | IIDFC Securities Ltd.                      | 238 |
| 187 | AB Securities Ltd.                      | 201 | 223 | Dhaka Securities Ltd.                      | 239 |
| 188 | Prilink Securities Ltd.                 | 202 | 224 | A N W Securities Ltd.                      | 240 |
| 189 | NBL Securities Ltd.                     | 203 | 225 | One Securities Ltd.                        | 241 |
| 190 | Synthia Securities Ltd.                 | 204 | 226 | Trust Bank Securities Ltd.                 | 242 |
| 191 | A. M. Securities and Financial Services | 205 | 227 | DLIC Securities Ltd.                       | 243 |
| 192 | Modern Equity Ltd.                      | 206 | 228 | NLI Securities Ltd.                        | 244 |
| 193 | United Enterprises & Co. Ltd.           | 207 | 229 | Meghna Life Securities and Investment Ltd. | 245 |
| 194 | Oshadhi Securities Ltd.                 | 208 | 230 | Rupali Bank Securities Ltd.                | 246 |
| 195 | Mondol Securities Ltd.                  | 209 | 231 | FBL Securities Ltd.                        | 247 |
| 196 | Wifang Securities Ltd.                  | 210 | 232 | BD Sunlife Securities Ltd.                 | 248 |
| 197 | AD Holdings Ltd.                        | 213 | 233 | Sterling Stocks & Securities Ltd.          | 249 |
| 198 | Pubali Bank Securities Ltd.             | 214 | 234 | Uttara Bank Securities Ltd.                | 250 |

#### 11.1.2 List of Stock Broker of CSE

| SL.No | Name of TREC Holder            | TREC No. | SL.No | Name of TREC Holder                   | TREC No. |
|-------|--------------------------------|----------|-------|---------------------------------------|----------|
| 1     | Alpha Securities Ltd.          | CSE 001  | 44    | Kabir Securities Ltd.                 | CSE 056  |
| 2     | ISPI Securities Ltd.           | CSE 002  | 45    | Eastern Shares & Securities Ltd.      | CSE 058  |
| 3     | Meenhar Securities Ltd.        | CSE 003  | 46    | Reliance Securities Consultant Ltd.   | CSE 059  |
| 4     | South Asia Securities Ltd.     | CSE 004  | 47    | Chittagong Shares and Securities Ltd. | CSE 060  |
| 5     | Island Securities Ltd.         | CSE 005  | 48    | CMSL Securities Ltd.                  | CSE 061  |
| 6     | Chittagong Capital Ltd.        | CSE 006  | 49    | Prudential Capital Ltd.               | CSE 062  |
| 7     | British Bangla Securities Ltd. | CSE 008  | 50    | Associated Capital Securities Ltd.    | CSE 063  |
| 8     | Saya Securities Ltd.           | CSE 010  | 51    | Platinum Securities Ltd.              | CSE 064  |
| 9     | First Capital Securities Ltd.  | CSE 011  | 52    | Finvest Services Ltd.                 | CSE 066  |
| 10    | BREC EPL Stock Brokerage Ltd.  | CSE 013  | 53    | Super Shares & Securities Ltd.        | CSE 067  |
| 11    | Stock & Security Linkway Ltd.  | CSE 014  | 54    | T.K. Shares & Securities Ltd.         | CSE 069  |
| 12    | UCB Capital Management Ltd.    | CSE 015  | 55    | Ahmed Securities Services Ltd.        | CSE 070  |
| 13    | Adams Securities Ltd.          | CSE 016  | 56    | Chowdhury Securities Ltd.             | CSE 073  |
| 14    | North West Securities Ltd.     | CSE 019  | 57    | Raja Securities Ltd.                  | CSE 074  |
| 15    | EBL Securities Ltd.            | CSE 021  | 58    | Sohel Securities Ltd.                 | CSE 076  |
| 16    | Salta Capital Ltd.             | CSE 022  | 59    | Century Securities Ltd.               | CSE 079  |
| 17    | Azim Securities Ltd.           | CSE 023  | 60    | International Leasing Securities Ltd. | CSE 080  |

|    |   |         |     |  |         |
|----|---|---------|-----|--|---------|
| 18 | Uttara Exchange And Securities Ltd.         | CSE 024 | 61  | DBL Securities Ltd.                            | CSE 081 |
| 19 | Sylhet Metro City Securities Ltd.           | CSE 025 | 62  | Unicap Securities Ltd.                         | CSE 082 |
| 20 | Be Rich Ltd.                                | CSE 027 | 63  | Abacus Securities Ltd.                         | CSE 083 |
| 21 | RAK Capital Ltd.                            | CSE 028 | 64  | Skys Securities Ltd.                           | CSE 084 |
| 22 | Nizams Shares & Securities Ltd.             | CSE 029 | 65  | Galaxy Capital Ltd.                            | CSE 085 |
| 23 | JIC Securities Ltd.                         | CSE 030 | 66  | A M Securities and Financial Services Ltd.     | CSE 086 |
| 24 | PHP Stocks & Securities Ltd.                | CSE 031 | 67  | Purabi Securities Ltd.                         | CSE 087 |
| 25 | A.A Securities Ltd.                         | CSE 032 | 68  | Reliance Brokerage Services Ltd.               | CSE 088 |
| 26 | Synet Securities Ltd.                       | CSE 033 | 69  | D. N. Securities Ltd.                          | CSE 089 |
| 27 | Pioneer Shares & Securities Ltd.            | CSE 034 | 70  | LankaBangla Securities Ltd.                    | CSE 091 |
| 28 | Vanguard Shares & Securities Ltd.           | CSE 036 | 71  | Square Securities Management Ltd.              | CSE 092 |
| 29 | Hillcity Securities Ltd.                    | CSE 037 | 72  | Holy City Securities Ltd.                      | CSE 093 |
| 30 | S.R.Capital Ltd.                            | CSE 038 | 73  | Inter-Continental Securities Ltd.              | CSE 094 |
| 31 | Base Capital Ltd.                           | CSE 040 | 74  | PFI Securities Ltd.                            | CSE 095 |
| 32 | Remons Investment & Securities Ltd.         | CSE 042 | 75  | International Securities Co. Ltd.              | CSE 096 |
| 33 | United Financial Trading Company Ltd.       | CSE 043 | 76  | Multi Securities & Services Ltd.               | CSE 097 |
| 34 | 3A & Company Ltd.                           | CSE 044 | 77  | EIC Securities Ltd.                            | CSE 098 |
| 35 | ZATL Securities Ltd.                        | CSE 045 | 78  | Ten Star (PVT.) Ltd.                           | CSE 100 |
| 36 | Hefazatur Rahman & Co. Ltd.                 | CSE 046 | 79  | Secure Capital Ltd.                            | CSE 020 |
| 37 | Kishwar Securities Investment Ltd.          | CSE 047 | 80  | Mona Financial Consultancy and Securities Ltd. | CSE 103 |
| 38 | Impel Shares & Securities Ltd.              | CSE 049 | 81  | Pubali Bank Securities Ltd.                    | CSE 105 |
| 39 | Mirpur Securities Ltd.                      | CSE 050 | 82  | NC Securities Ltd.                             | CSE 107 |
| 40 | E-Securities Ltd.                           | CSE 052 | 83  | Moharam Securities Ltd.                        | CSE 108 |
| 41 | Royal Capital Ltd.                          | CSE 053 | 84  | Sanmar Capital Management Ltd.                 | CSE 109 |
| 42 | Habib Shares & Securities Ltd.              | CSE 054 | 85  | Starport Securities Ltd.                       | CSE 110 |
| 43 | Prime Financial Consultants & Equities Ltd. | CSE 055 | 86  | Lotus Shares & Securities Ltd.                 | CSE 112 |
| 87 | Cordial Securities Ltd.                     | CSE 113 | 101 | Phoenix Securities Ltd.                        | CSE 131 |
| 88 | Hassan Shares & Securities Ltd.             | CSE 114 | 102 | NCCB Securities and Financial Services Ltd.    | CSE 132 |
| 89 | Vantage Securities Ltd.                     | CSE 115 | 103 | City Brokerage Ltd.                            | CSE 133 |
| 90 | Megacity Securities Ltd.                    | CSE 116 | 104 | Shahjalal Islami Bank Securities Ltd.          | CSE 134 |
| 91 | Hallmark Securities Ltd.                    | CSE 117 | 105 | Popular Life Insurance Company Ltd.            | CSE 135 |
| 92 | IDLC Securities Ltd.                        | CSE 119 | 106 | Premier Leasing Securities Ltd.                | CSE 136 |
| 93 | Western Securities Investment Mgt. Ltd.     | CSE 120 | 107 | Fareast Stocks & Bonds Ltd.                    | CSE 138 |
| 94 | Jesco Capital Management Ltd.               | CSE 121 | 108 | AIBL Capital Market Services Ltd.              | CSE 139 |
| 95 | First Lead Securities Ltd.                  | CSE 122 | 109 | SIBL Securities Ltd.                           | CSE 142 |

|     |                                    |         |     |                              |         |
|-----|------------------------------------|---------|-----|------------------------------|---------|
| 96  | Far East Shares & Securities Ltd.  | CSE 123 | 110 | Prime Islami Securities Ltd. | CSE 145 |
| 97  | S. N. Securities Ltd.              | CSE 125 | 111 | Islami Bank Securities Ltd.  | CSE 146 |
| 98  | Amin Securities & Consultants Ltd. | CSE 128 | 112 | Jamuna Bank Securities Ltd.  | CSE 147 |
| 99  | Muntaha Shares & Capital Ltd.      | CSE 129 | 113 | ONE Securities Ltd.          | CSE 148 |
| 100 | Green Delta Securities Ltd.        | CSE 130 | 114 | Jalalabad Securities Ltd.    | CSE 104 |

### 11.1.3 List of Merchant Bankers

| SL.No | Name of Merchant Banker                         | SL.No | Name of TREC Holder                    |
|-------|---|-------|--|
| 1     | AAA Finance & Investment Ltd.                   | 24    | Jamuna Bank Capital Management Ltd.    |
| 2     | AB Investment Ltd.                              | 25    | Janata Capital and Investment Ltd.     |
| 3     | AFC Capital Ltd.                                | 26    | LankaBangla Investments Ltd.           |
| 4     | AIBL Capital Management Ltd.                    | 27    | MTB Capital Ltd.                       |
| 5     | Alpha Capital Management Ltd.                   | 28    | PLFS Investments Ltd.                  |
| 6     | BD Finance Capital Holdings Ltd.                | 29    | Prime Bank Investment Ltd.             |
| 7     | BLI Capital Ltd.                                | 30    | Prime Finance Capital Management Ltd.  |
| 8     | BMSL Investment Ltd.                            | 31    | Rupali Investment Ltd.                 |
| 9     | BRAC EPL Investments Ltd.                       | 32    | SBL Capital Management Ltd.            |
| 10    | City Bank Capital Resources Ltd.                | 33    | Sonali Investment Ltd.                 |
| 11    | EBL Investments Ltd.                            | 34    | Southeast Bank Capital Services Ltd.   |
| 12    | EC Securities Ltd.                              | 35    | Swadesh Investment Management Ltd.     |
| 13    | EXIM Islami Investment Ltd.                     | 36    | Trust Bank Investment Ltd.             |
| 14    | FAS Capital Management Ltd.                     | 37    | UniCap Investments Ltd.                |
| 15    | First Securities Services Ltd.                  | 38    | Uttara Finance and Investment Ltd.     |
| 16    | First Security Islami Capital & Investment Ltd. | 39    | Agrani Equity & Investment Ltd.        |
| 17    | Grameen Capital Management Ltd.                 | 40    | Banco Finance and Investment Ltd.      |
| 18    | Green Delta Capital Ltd.                        | 41    | BetaOne Investments Ltd.               |
| 19    | ICB Capital Management Ltd.                     | 42    | CAPM Advisory Ltd.                     |
| 20    | IDLC Investments Ltd.                           | 43    | GSP Investments Ltd.                   |
| 21    | IIDFC Capital Ltd.                              | 44    | RACE Portfolio & Issue Management Ltd. |
| 22    | IL Capital Ltd.                                 | 45    | Royal Green Capital Market Ltd.        |
| 23    | Imperial Capital Ltd.                           |       |  |

**11.2 Application/Buy Instruction Form**

“শেয়ার বাজারে বিনিয়োগ ঝুঁকিপূর্ণ, জেনে ও বুঝে বিনিয়োগ করুন।”

**Application/Buy Instruction Form for Public Issue**

**Date:**

|                                 |   |  |
|---------------------------------|---|--|
| <b>Name of the Applicant</b>    | : |  |
| <b>Client Code</b>              | : |  |
| <b>BO ID No.</b>                | : |  |
| <b>Category of applicant</b>    | : |  |
| <b>Name of the Company/Fund</b> | : |  |
| <b>Number of Shares/Units</b>   | : |  |
| <b>Total Amount</b>             | : |  |
| <b>Amount in word</b>           | : |  |
| <b>Mode of Payment</b>          | : |  |
| <b>Cheque/Draft Information</b> | : |  |

**Signature of Applicant(s)**

**Signature of Authorized Officer**



CAPM IBBL Islamic Mutual Fund, your partner for regular income with capital appreciation.

We appreciate your queries. Please call us...



**HOT LINE**

01847 054 877 | 01847 054 888

For more details...

please visit: [www.capmbd.com](http://www.capmbd.com)

or, scan the following image

