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PROSPECTUS

ICB AMCL ISLAMIC MUTUAL FUND **(A fund managed under Shariah Law)**

- Total Issue** : 1,000,000 units of Tk. 100.00 each at par for
Tk. 100.00 million
- Pre-IPO Placement** : 300,000 units of Tk. 100.00 each at par for
Tk. 30.00 million
- IPO** : 700,000 units of Tk. 100.00 each at par for
Tk. 70.00 million
- Investment Manager** : **ICB Asset Management Company Ltd.**
(A Subsidiary of ICB, registered as a public limited company under
the Companies Act, 1994)
- Sponsor** : **ICB Capital Management Ltd.**
(A subsidiary of ICB)
- Trustee** : **Investment Corporation of Bangladesh.**
- Custodian** : **Investment Corporation of Bangladesh.**

Subscription Opens : **12 October, 2004**

Subscription Closes : **17 October, 2004**

Date of publication of Prospectus : **15 September, 2004 in “The Daily Ittefaq”**

Registered Office :

Shilpa Bank Building (15th Floor) 8, Rajuk Avenue, Dhaka, Bangladesh

Phone : 7160303, 7160306. E-mail : ceoamcl@accesstel.net, Web page- www.icbamcl.com.bd

FUND PROFILE :

Registered Office	:	ICB AMCL Islamic Mutual Fund. BSB Building, 8, DIT Avenue (15 th Floor) Dhaka-1000.
Sponsor	:	ICB Capital Management Ltd. BSB Building, 8, DIT Avenue (14 th Floor) Dhaka-1000.
Trustee	:	Investment Corporation of Bangladesh BSB Building, 8, DIT Avenue (12-15 th Floors) Dhaka-1000.
Custodian	:	Investment Corporation of Bangladesh BSB Building, 8, DIT Avenue (12-15 th Floors) Dhaka-1000.
Investment Manager/ Fund Manager	:	ICB Asset Management Company Ltd. BSB Building (15 th Floor), 8, DIT Avenue Dhaka-1000.
Shariah Advisors	:	Renowned Shariah Scholars of the Country.
Auditor	:	Hoda Vasi Chowdhury & Co. BTMC Bhaban 7-9 Kawran Bazar C/A, Dhaka- 11215.
Banker	:	1) Islami Bank Bangladesh Ltd. Local Office, 79, Dilkusha C/A, Dhaka - 1000.
Listing	:	The Fund will be listed with the DSE & CSE.

ABBREVIATIONS / DEFINITIONS :

Act	: Securities & Exchange Commission Act, 1993
<i>Bai' Muajjal</i>	: Bai Muajjal is a contract wherein the seller earns profit margin on his cost and allows the buyer to pay the price at a future date either in lump sum or in installments.
<i>Bai' Salam</i>	: Bai Salam means a contract in which advance payment is made for certain tangible goods except gold or silver to be delivered later on a fixed date
CDBL	: Central Depository Bangladesh Ltd.
Certificate	: Unit Certificate of the Fund.
Commission	: Securities and Exchange Commission
CSE	: Chittagong Stock Exchange Ltd.
DSE	: Dhaka Stock Exchange Ltd.
EPS	: Earning Per Share
Halal	: Halal means anything that is permitted by the Sharia.
Haram	: Haram means anything prohibited by the Shariah.
ICB AMCL	: ICB Asset Management Company Limited.
ICB	: Investment Corporation of Bangladesh
ICML	: ICB Capital Management Ltd.
Istisna'a	: Means a contractual agreement for manufacturing goods & commodities allowing advance or future payment for future delivery
<i>Modaraba</i>	: It means a form of business contract wherein one party brings capital and the other party provides expertise and management. The profit sharing ratio is determined by mutual agreement. But the loss, if any, is borne only by the owner of the capital unless caused by negligence or violation of terms of the contract by the entrepreneur and in that case the entrepreneur gets nothing for his labor.

<i>Murabaha</i>	: It is a sale agreement whereby the seller purchases the goods desired by the buyer and sells them at an agreed marked-up price, the payment being settled either in installments or lump sum. The seller undertakes the risk for the goods until they have been delivered to the buyer.
<i>Musharika</i>	: Musharika means sharing. In other words, Musharika means a relationship established under a contract to carry out some businesses wherein all partners share the profit according to a specific ratio while the loss is shared strictly in proportion to capital contributions.
NAV	:Net Asset Value
SEC	:Securities and Exchange Commission
Shariah Advisor	:Shariah Advisor means an institution or a body, having knowledge of Islamic Law to supervise and monitor the activities of a scheme and to certify that all its activities comply with Shariah Law.
Sponsor	:Sponsor of the Fund i.e. ICB Capital Management Ltd.
Rules	:Securities and Exchange Commission (Mutual Fund) Rules, 2001

HIGHLIGHTS	
1	Name: ICB AMCL Islamic Mutual Fund.
2	Size of the Fund: Tk.100.00 million dividend into 10,00,000 Units of Tk.100.00 each.
3	Nature : Closed end Mutual Fund of ten years tenure.
4	Objective: The objective of the Fund is to provide maximum dividend to the unit holders by investing the fund in Shariah compliant securities/ instruments.
5	Target Group: Any Individual, Institutions, Funds and NRBs are eligible to apply for the Fund.
6	Dividend: Minimum 80% income of the Fund will be distributed as dividend at the end of each accounting year. The Fund shall create a reserve fund for equalizing the dividend.
7	Mode of Distribution: The dividend will be distributed within 30 days from the date of declaration
8	Transferability : Units are transferable. The transfer will be made by the CDBL under electronic settlement process.
9	Tax Benefit: The income in the hand of the individual investor will be tax free to a certain level. Moreover, the individual investors will get tax credit on investment as per Income Tax Ordinance 1984.
10	Report & Accounts: Every unit holder is entitled to receive annual report together with the yearly statement of accounts as and when published.

RISK FACTORS	
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 highly volatile, there is no assurance of achieving the stated objective of the Fund.
3	Due to small number of 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	As there is a limited scope of investment under Sharia Law in Bangladesh, it would be difficult for the Fund Manager to swap between asset classes if and when required.
5	Stock market trends show that prices 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.
6	If the companies wherein the fund will be invested fail to pay expected dividend, this may affect the return of the Fund.
7	For investing in Pre-IPO Placement securities i.e. in unlisted securities by the Fund may involve liquidity risk.
8	Uncertainties like political and social instability may affect the value of the Fund's Assets.
9	Adverse natural climatic condition may hamper the performance of the Fund.

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Chapter -1

APPROVAL OF THE FUND

1.1 Publication of Prospectus for public offering :

ICB Asset Management Co. Ltd. has received Registration Certificate from the Securities and Exchange Commission under Securities and Exchange Commission Act, 1993 and Securities and Exchange Commission (Mutual Fund) Rules, 2001 made there under and also received approval for issuing prospectus for public offering. A complete copy of the prospectus of the public offering is available for public inspection at the registered office of the Fund.

1.2 Approval of the Securities and Exchange Commission

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

IT IS, HOWEVER, THE SECURITIES AND EXCHANGE COMMISSION’S RESPONSIBILITY IS TO ENSURE THAT FULL AND FAIR DISCLOSURES ARE MADE IN THE PROSPECTUS IN TERMS OF THE SECURITIES AND EXCHANGE COMMISSION (MUTUAL FUND) RULES, 2001, SO THAT THE INVESTORS CAN MAKE INFORMED INVESTMENT DECISIONS.”

1.3 Listing of Fund:

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

Application(s) will be made to the Dhaka and/or Chittagong Stock Exchange(s) within nine days of first issuance of the prospectus for permission of the unit of the Fund for dealing in any or both of the said stock exchanges and for quotation on the stock exchange(s).

None of the stock exchange(s), if for any reason, grants listing within 75 (seventy five) days of the submission of the application, any allotment in terms of this prospectus shall be void and the Asset Management Company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (seventy five) days, as the case may be.

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

The Asset Management Company, shall ensure due compliance of the above mentioned conditions and submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money.”

1.4 Issuance of Securities in Dematerialized Form

As per provisions of the Depository Act, 1999 and regulations made there under, the unit of the fund will be issued in dematerialized form only and for this purpose, the fund has signed an agreement with CDBL. Therefore, all transfer, transmission and splitting/conversion will take place in CDBL system.

1.5 Documents available for inspection:

- (1) Copy of this prospectus will be available with the Members of the Stock Exchanges, Bankers to the issue, website & at the registered office of the ICB Asset Management Company Ltd. and also at the website of the SEC (www.secbd.org).
- (2) Copy of Trust Deed and Investment Management Agreement will be available for public inspection during business hours at the head office of the Asst Management Company of the Fund. The Trust Deed and Investment Management Agreement may also be viewed from the website of the ICB AMCL.

1.6 Conditions under Securities and Exchange Commission (Mutual Fund) Rules, 2001 and Section 2CC of the Securities & Exchange Ordinance, 1969:

PART-A

- (1) The Fund shall go for Initial Public Offer (IPO) for 7.00 lac units of Taka 100/- each at par worth Taka 7.00 (seven) crore following the [www.KDwi.wJR I G. fPÄ Kwgkb \(wgDPi:qvj dvÜ\) weiwagvj v, 2001](#), the Depository Act, 1999 and regulations issued thereunder.
- (2) The prospectus/abridged version of the prospectus as vetted by SEC, shall be published in one widely circulated Bangla national daily newspaper within 10 days of receipt of the approval letter. Provided that information relating to publication of prospectus in the form of advertisement be published in two national daily newspapers (Bangla and English);
- (3) 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 **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 SEC by the Asset Management Company within two working days from the date of said despatch of the prospectus & the forms.

- (4) 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 hours of publication thereof;
- (5) The Asset Management Company shall submit 40 (forty) copies of the printed prospectus, along with a diskette prepared in "MS WORD" containing the prospectus and its abridged version, as vetted by SEC, to the Securities and Exchange Commission for official record within **5 (Five) working days** from the date of publication of the prospectus in the newspaper.
- (6) The Asset Management Company shall maintain bank account(s) for collecting proceeds of the Initial Public Offering from the prospective investing public, especially throughout the country.
- (7) The Asset Management Company shall also open FC account(s) to deposit the application money of the non- Resident Bangladeshis (NRBs) for IPO purpose, and shall incorporate full particulars of said FC account(s) in the prospectus.
- (8) The following declaration shall be made by the Asset Management Company in the prospectus, namely:-

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

Application(s) will be made to the Dhaka and/or Chittagong Stock Exchange(s) within nine days of first issuance of the prospectus for permission of the unit of the Fund for dealing in any or both of the said stock exchanges and for quotation on the stock exchange(s).

None of the stock exchange(s), if for any reason, grants listing within 75 (seventy five) days of the submission of the application, any allotment in terms of this prospectus shall be void and the Asset Management Company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (seventy five) days, as the case may be.

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

The Asset Management Company, shall ensure due compliance of the above mentioned conditions and submit compliance report thereon to the Commission within seven days

of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money.”

- (9) Subscription shall start after 25 (Twenty five) days from the date of publication of the prospectus.
- (10) Notwithstanding anything contained in the ঐতিহাসিক আইন ১৯৯৩ (১৯৯৩ সন) আইন, ২০০১, regarding limitation of the time on closure of the subscription, the subscription shall remain open for 5 (Five) consecutive banking days.
- (11) Application shall be sent by the NRB applicants directly to the Asset Management Company within the closing date of the subscription so as to reach the same to the Asset Management Company by the closing date plus nine days. Applications received by the Asset Management Company after the above mentioned time period will not be considered for allotment purpose.
- (12) The Asset Management Company shall apply the spot buying rate (TT clean) in US\$, UK Pound Sterling and Euro of Sonali Bank, which shall be mentioned in the Prospectus, as prevailed on the date of opening of the subscription for the purpose of application of the NRBs and other non-Bangladeshi persons, where applicable.
- (13) The Asset Management Company shall ensure prompt collection/ clearance of the foreign remittances of NRBs and other non-Bangladeshis, if applicable, for allotment of units without any difficulty/complain.
- (14) The Asset Management Company shall provide SEC with the preliminary status of the subscription within one week from closure of the subscription date, and also the list of valid and invalid applicants (i.e. final status of subscription) to the Commission within 2 (Two) weeks after the closure of the subscription date including bank statement (original), branch-wise subscription statement, NRB application forms (photocopy attested by CEO of the Asset Management Company) regarding collection of initial public offer money.
- (15) The IPO shall stand cancelled and the application money shall be refunded immediately (but not later than 4 weeks from the date of the subscription closure) if any of the following events occur:
 - a. Upon closing of the subscription list it is found that the total number of valid applications is less than the minimum requirement as specified in the listing regulations of the stock exchange(s) concerned; or
 - b. At least 60% of the targeted amount under ঐতিহাসিক আইন ১৯৯৩ (১৯৯৩ সন) আইন, ২০০১ is not subscribed.

(16) IPO distribution system:

All the applicants shall first be treated as applied for one minimum market lot of Tk. 5000/- worth of units. 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. On the other hand, if there is under subscription, then all the applicants shall first be distributed with a single lot, and thereafter, for the balance amount, lottery shall be held for the applicants who have applied for multiple

lots on the basis of dividing the application money by the amount of a market lot separately for both non-resident Bangladeshis (NRBs) and General Public.

In case of over subscription, allotment shall be made by lottery among all the valid applicants in presence of the authorized representatives of the stock exchange(s) concerned, Sponsor, Asset Management Company and Trustee.

- (17) Lottery (if applicable) will be held within 3 (three) weeks from closure of the subscription date.
- (18) The Asset Management Company shall issue units allotment letters to all successful applicants within 30 (thirty) days from the date of the subscription closing date. At the same time, the unsuccessful applicants shall be refunded with the application money within 30 (thirty) days from the closing of the subscription date by Account Payee Cheque without interest payable at Dhaka/Chittagong/Khulna/Rajshahi/ Barisal/Sylhet, as the case may be.
- (19) 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.
- (20) Unit Certificates for 1/10th of the Sponsors contribution amounting Tk. 10.00 (ten) lac shall be subject to a lock-in for the whole life of the Fund;
- (21) If the Fund Manager (ICB Asset Management Company Ltd.) fails to collect the minimum 60% of the targeted amount under section 48 of the Securities and Exchange Commission Act, 2010 (SEC Act, 2010), it will refund the subscription money within 30 (thirty) days from the closure of subscription without any deduction. In case of failure, the Fund Manager shall refund the same with interest @ 18 per cent per annum from its own account within the next month;
- (22) In case of over subscription, the excess amount shall be refunded within 30 (thirty) days from the closure of subscription period, failing which the Fund Manager will refund the same with an interest @ 18 per cent per annum from its own account within the next month;
- (23) In case of over subscription, allotment shall be made by lottery among all the valid applicants in presence of authorized representatives of the Trustee, Custodian, Sponsor, Asset Management Company, DSE and /or CSE, among others;
- (24) The Fund Manager (ICB Asset Management Company Ltd.) shall serve a notice through the newspaper to all successful applicants within 30 (thirty) days from the closing of subscription;
- (25) The Asset Management Company shall apply for listing of the Fund with stock exchange(s) within 9 (nine) days of first publication of the prospectus;
- (26) Allotment letters shall be issued within 30 (thirty) days from the closure of subscription;
- (27) The Fund shall maintain escrow bank account for proceeds of initial public offering (IPO) and pre-IPO Placement. The Fund collected through IPO 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 Fund shall not be involved in option trading, short selling or carry forward transactions;
- (29) Allotment letters shall not be traded and endorsement/renunciation shall not be permissible;
- (30) The issuer shall not allow any discount or pay fee to the private placement holders;
- (31) The annual report of the Fund/or its abridged version shall be published within 45 (forty-five) days of the closure of each accounting year of the Fund;
- (32) An annual report and details of investment and savings of the Fund shall be submitted to the Commission, Trustee and Custodian of the Fund within 90 (ninety) days from the closure of the accounts;
- (33) Half-yearly accounts/financial results of the Fund shall be published in at least one widely circulated Bangla national daily newspaper within 30 (thirty) days from end of the period;
- (34) Dividend shall be paid within 30 (thirty) days of its declaration, and a report shall be submitted to SEC, Trustee and Custodian within 7 (seven) days of dividend distribution;
- (35) Net Asset Value (NAV) of the Fund shall be calculated and disclosed publicly as per Rule 60 of the Securities and Exchange Commission (SEC) Regulations, 2001;
- (36) SEC may appoint auditors for special audit/investigation on the affairs of the Fund, if it so desires;

Part –B

- (1) The Asset Management Company (i.e., ICB Asset Management Company Ltd.) shall ensure that the prospectus/abridged version of the prospectus is published correctly and in strict conformity without any error/omission, as vetted by the Securities and Exchange Commission.
- (2) The Asset Management Company shall carefully examine and compare the published prospectus/abridged version of the prospectus on the date of publication with the prospectus, as vetted by SEC. If any discrepancy/inconsistency is found both the sponsor and the Asset Management Company shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to SEC and the stock exchange(s) concerned, correcting the discrepancy/inconsistency as required under 'Declaration' provided with SEC.
- (3) The sponsor and the Asset Management Company shall immediately after publication of the prospectus jointly inform the Commission in writing that the published prospectus is a verbatim copy of the prospectus vetted by the Commission.

- (4) The sponsor and the Asset Management Company shall simultaneously submit to the Commission an attested copy of the application filed with the stock exchange(s) for listing of the securities.
- (5) The Fund collected through IPO 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.

1.7 General Information

- (i) This prospectus has been prepared by ICB Asset Management Company Ltd. based on the Trust Deed executed between the trustee & sponsor of the Fund which is approved by the Commission and available publicly. The information contained herein is true and correct in all material aspects and that there is no other material facts, the omission of which, would make any statement herein misleading.
- (ii) No person is authorized to give any information to make any representation not contained in this prospectus and if given or made, any such information or representation must not be relied upon as having been authorized by the ICB Asset Management Company Ltd.
- (iii) 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.

1.8 Subscription:

Subscription to the ICB AMCL Islamic Mutual Fund will commence at the opening of banking business on 12 October 2004 and will be dosed at the end of the banking business on 17 October 2004.

1.9 DECLARATIONS:

Declarations 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 prospectus 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. Iftikhar-uz-zaman)
Chief Executive Officer
ICB Capital Management Ltd.

Declaration about the responsibility of the Asset Management Company

This prospectus has been prepared by us based on the Trust Deed, Investment Management Agreement and other related agreement and examination of other documents as relevant for adequate disclosure. We also confirm that:

- (i) the prospectus is in conformity with the documents, materials and papers related to the issue;
- (ii) all the legal requirements of the issue have been duly fulfilled; and
- (iii) the disclosures made are true, fair and adequate for investment decision. An investor who is not interested to take a moderate degree of risk need not apply as risk factor is associated with the investment under the Fund.

Sd/-
(Khondoker Md. Iqbal)
Chief Executive Officer
ICB Asset Management Company Ltd.

Declaration about the responsibility of the Trustee

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

- i) be the guardian of the Fund, held in trust for the benefit of the unit holders in accordance with the Rules & Trust Deed;
- ii) always act in the interest of the unit holders;
- iii) take all reasonable care to ensure that the Fund floated and managed by the Asset Management Company are in accordance with the Trust Deed and the Rules;
- iv) make such disclosure 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;
- v) 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/
(Md. Ziaul Haque Khondker)
Managing Director
Investment Corporation of Bangladesh

Declaration about the responsibility of the Custodian

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

- i) keep liaison with the CDBL and collect & preserve those information which will be required for ascertaining the movement of demated assets of the Fund.
- ii) keep all the securities other than the demated securities in safe custody and shall provide the highest security for the assets of the Fund; and
- iii) preserve necessary documents and record so as to ascertain movement of other assets of the Fund as per Rules.

Sd/
(Md. Ziaul Haque Khondker)
Managing Director
Investment Corporation of Bangladesh

CHAPTER-2 BACKGROUND & MARKET SCENARIO

2.1 Background of initiating a closed end Islamic Mutual Fund :

Mutual Fund presently is one of the fastest growing sectors through out the world. In Bangladesh ICB is the harbinger of Mutual Funds. Out of the total 13 Mutual Funds, ICB and its subsidiary alone floated 11 Mutual Funds in the market. These Mutual Funds are basically conventional fund which invest their funds both in equity and debt securities. Islam's prohibition against paying and charging interest prevent muslims from investing in securities that draw their income from those activities. In Islam, interest is viewed as usury or riba because of its potential for exploitation of the borrower by the lender. In addition, the Islamic Shariah Law forbids any involvement in or ties to gambling, pornography, tobacco, weapons, alcohol etc. As the conventional Funds invest and draw their income, among others, from the above mentioned companies and debt securities, ICB Asset Management Company Ltd. has decided to float a fund which will invest its funds according to the Shariah Law. It may be mentioned here that there are over 100 Islamic mutual funds in the global equity markets of which half originated in the Middle East. These funds are managed according to Islamic principles.

Islamic Mutual funds are becoming more sophisticated and they are offering attracting return to the investors. The growth of the Islamic Mutual Fund has been tremendous. Of the 100 Funds a very small number of funds were floated in the late 1990s while the rest of the funds were floated in the market in the new millennium. There has been a discernible shift in the attitude of Muslim investors. Although traditionally investment regarded as highly risk-averse, the avalanche of news surrounding events on global stock exchanges and the aggressive marketing of Islamic Mutual Fund have brought about changes. Establishment of global Islamic Indexes and sub-indexes covering north America, Europe, the Pacific and South Africa by the Dow-Jones have also contributed in development of Islamic Mutual Fund in the global market. The indexes track Shariah complaint stocks globally and consists of companies those are compatible with Shariah Law. At present there are 31 indices covering over 1200 companies. The indexes are overseen by a five member Shariah Supervisory Board and contain no companies with primary business in alcohol, tobacco, pork related products, defense and weapons. These indexes provide benchmarks against which the performance of the funds can be measured and improve transparency. With the opening of the funds to the middle class Muslim investors, Islamic Mutual Funds find themselves if not in direct competition, then at least subject to direct comparison with the host of conventional mutual funds available in the market. If the Islamic Mutual Fund is floated in Bangladesh, we believe that the fund will be widely accepted by the investors particularly those investors who believe in Sharia transactions.

Keeping in view the situation stated above, ICB capital Management Ltd. has come forward with the proposal to act as sponsor of the ICB AMCL Islamic Mutual Fund. ICB itself will be the Trustee and Custodian of the fund whereas ICB Asset Management Company Ltd. will act as the Fund Manager of the said Mutual Fund.

2.2 Present scenario of the securities market

2.2.1 Capital Market

The capital market showed signs of resilience and maturity at the fag end of 2003 overcoming many ups and downs. Both primary and secondary markets were more or less vibrant. Although, there were ups and down, the scrips with strong fundamentals performed well which showed maturity of the market. The market grew slowly but steadily. Fundamentals and rationalities have replaced speculations and rumours. DSE General Index, the prime indicator rose to the highest 1441.98 points on 17-08-2004 as market responded well to the incentives given by the government from time to time. The market capitalization is increasing steadily. Investors' confidence in the market is getting momentum. Introduction of the central depository system (CDS) in transaction of securities replacing paper based system in country's capital market will bring a revolutionary change in the market and the investor would no more suffer from problems of fake shares, stolen shares, long settlement cycle and other operational inefficiencies engrained in manual clearing and settlement. This will also stimulate domestic savings and attract much awaited foreign investors. The demand for and supply of securities are also increasing in the market. Government and Private sectors bond came in the market and are being traded in the secondary market through designated dealers which was the long demand of the investors. The capital market of Bangladesh is now poised to achieve higher degree of maturity in the years to come.

2.2.2 Money Market

The Bangladesh Bank (BB) took various measures to improve the depth and efficiency of the money market. For development of secondary market for treasury bills, the Bangladesh Bank allowed inter bank repo /reverse repo transaction. In addition, BB appointed some primary dealers to transact the securities. Appointment of dealership enhanced liquidity and depth in the securities market and facilitated efficient liquidity management. It is expected that the liquidity in the repo market will be enhanced in the years to come.

In a bid to reduce the rate of interest on deposits and loans and advances the BB reduced the bank rate and the SLR. Accordingly, the banks reduced the lending rates. It is expected that there will be further rate cuts in 2004. There are also indication of rate cuts of saving certificates. The restriction imposed on lending by NCBs in some areas and mandatory requirement of raising fund from the capital market by the borrowers shall have the positive effect on the development of capital market in Bangladesh. BB introduced new 5 year and 10 year Bonds with a coupon rate of 7.5 percent and 8.5 percent respectively. General Public is also allowed to by those bonds. The bonds can be transacted in the secondary market through the designated dealers.

It appears from the above that both the capital market and money market are posing towards development which will help greatly to float a fund. However, the size of the market in terms of market capitalization and number of securities is relatively small. There is a scarcity of shares. On the other hand, there are some good shares which are not compatible with Sharia Law. The market is basically dominated by the retailers. There is a dearth of institutional buyer. It is very difficult to buy or sell large volume of shares at a time. The existing shares with good

fundamentals are being traded at a higher price than the intrinsic value. As a result, it would not be very easy to build up a balanced portfolio for the proposed fund. In view of the above, pre-IPO Placement of shares, wider participation of the institutional investors, disinvestments of the governmental shares in multinational as well as national companies will be required to create a diversified/balanced portfolio for the Fund. However, there are some instruments compatible to Sharia Law like Modaraba, Musharika, Mudarabaha, Bai Muajjal, Bai Salam etc. wherein the Fund can be invested.

2.3 Advantages in investing in ICB AMCL Islamic Mutual Fund:

Generally investment in mutual funds enjoys some advantages compared to investment made directly in other securities of the capital market. Investors of this mutual fund will be able to enjoy the following advantages:-

- (i) As the Fund will be invested in Sharia compatible securities, there shall be no scope of haram earnings and as a result the income in the hand of the investors will totally be halal.
- (ii) As the sale proceeds will be invested in the diversified portfolio, there will be a minimum risk in investment.
- (iii) Diversified portfolio of the fund help the small investor access to the whole market which is difficult at individual level.
- (iv) By channelizing small investors saving, this mutual fund will add liquidity to the market.
- (v) As the fund will be professionally managed under prudent guidelines, the Fund is accepted to be able to achieve the targeted objectives.
- (vi) The investors can save a great deal in transaction cost as he/she has access to a larger number of securities by purchasing a single unit of mutual fund.
- (vii) Investment in the Fund would qualify for investment tax credit under section 44(2) of the Income Tax Ordinance 1984.
- (viii) Management and operation of mutual funds are subject to prudential guidelines. SEC regularly monitors the performance of such funds. The laws governing mutual funds require exhaustive disclosure to the regulator and general public. As a result, the investors will be able to know the performance of the fund and accordingly they can be able to take convenient entry and exit options.
- (ix) Income will be exempted from tax to a certain level in the hand of the individual investors.

CHAPTER-3

THE FUND

3.1 The Constitution of fund:

The ICB AMCL Islamic Mutual Fund is constituted by a Trust Deed entered into between ICB Capital Management Ltd and Investment Corporation of Bangladesh on 15.07.2004 under the Trust Act,1882 and Registration Act, 1908.

The Fund was registered by the SEC on 24.08.2004 under the Securities and Exchange Commission (Mutual Fund) Rules, 2001.

3.2 Life, objectives and nature of the Fund:

The Fund will be a closed-end mutual fund of 10 years tenure, established with a view to broaden the base of investment and develop the capital market. Both Institutional and individual investors are eligible to invest in this Fund. The size of the Fund will be 100 million divided into 1,000,000 units of Tk. 100.00 each.

3.3 Face Value and Market Lot:

Total size of the issue is fixed at Taka 100,000,000.00 (One hundred million) and the face value of each unit of the Fund is fixed at Taka 100.00 each divided into 1,000,000 units. 700,000 units worth Tk. 70,000,000.00 (seventy million) will be available for public issue. The market lot shall be 50 units of Tk. 5000.00.

Chapter-4

INVESTMENT OBJECTIVES & POLICIES

4.1 Investment Objective:

The scheme has been designed for a specific æctoral objective i.e. to provide interest free return to the investors by investing the fund only in Shariah compliant instruments.

4.2 Investment Policies:

1) The fund shall invest both in listed and non listed securities. While investing in securities the following criteria are to be observed:

(i) Primary Selection of Companies

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

- a) Conventional Banks, Insurance and Leasing Companies
- b) Alcohol
- c) Pork related products
- d) Tobacco
- e) Weapons and Defense
- f) Entertainment (Hotels, Casinos/Gambling, Cinema, Pornography, Music etc.)

(ii) Screening of Acceptable Companies

After removing companies with unacceptable primary business activities, the Fund may invest in the remaining companies if:

- a) the total debt of the investee company is equal to or less than 33% of the trailing 12 month 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 month average market capitalization of the company.
 - c) the Accounts Receivable is less than or equal to 45% of the Total Assets of the Company.
- 2) The Fund may also invest in other Shariah Compliant instruments as and when they are available for investment. Specifically:
- i) in Participation Term Certificates, Modaraba Certificates, Musharika, Murabaha, Term Finance Certificates and all other asset backed securities;

- ii) 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.
 - iii) 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.
 - iv) in other instruments that may be allowed by the Rules and confirmed as Shariah Compliant by the Fund's Shariah Advisor from time to time.
- 3). The Fund will adopt a conservative strategy and will try to out-perform the index through market timing and security selection. A part of the fund will also be used to take advantage of the short term trading opportunities that may arise from time to time.
- 4) The AMC will make the investment decisions based on best judgment supported by documents and analysis.
- 5). The fund shall get the securities purchased or transferred in the name of the mutual fund.
- 6). Only the AMC will make the investment decisions and place orders for securities to be purchased or sold by the Fund.
- 7). AMC will choose broker(s) for the purchase and sale of securities for the Fund's portfolio.
- 8). Settlement of transaction will take place as per the customs and practice of the stock exchanges in the country.
- 9) The ownership of the certificates will be changed by CDBL under electronic book entry system and there will be no physical movement or endorsement of certificates.

4.3 Investment Restrictions:

In making investment decision the following restrictions should be taken due consideration:

- (i) The Fund shall not buy its own unit ;
- (ii) The Fund shall not involve in option trading or short selling or carry forward transactions.
- (iii) The Fund shall not invest in or lend to another scheme under the same Asset Management Company. However, the inter fund transactions can be made through stock exchanges.

- (iv) 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.
- (v) The Fund or the ICB Asset Management Company Ltd. on behalf of the Fund shall not give or guarantee term loans for any purpose or take up any activity in contravention of the Rules.

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 Rule 60 of the Mutual Fund Rules, 2001) by the total number of units outstanding. As per section 58 of Securities and Exchange Commission (Mutual Fund) Rules, 2001, valuation policy of investment of the Fund needs to be approved earlier by SEC. Valuation criteria so far approved by the Commission in the trust deed is as follows:

- (a) For listed securities, the average quoted market price on the stock exchanges on the date of valuation shall form the basis of any calculation of Net Asset Value of such securities in the portfolio of the Fund.
- (b) When the securities were not traded either at DSE or CSE on the particular valuing date, immediate previous average price, which one is nearer, but not longer than 30 days, to the valuing date will be taken into account.
- (c) When the securities were not traded either at DSE or CSE for a period for over 30 days, the Fund shall follow the method approved by the Commission for valuation of the non-traded investment, and the Trustee shall periodically review the value of such investments.
- (d) The valuation of non-traded securities will be made with their reasonable value by the ICB Asset Management Company Ltd. and approved by the Trustee and commented upon by the Auditors in the Annual Report of the Mutual Fund but shall not be more than the intrinsic value of the securities.
- (e) The valuation of non-listed securities will be made by the AMC with their reasonable value and approved by the Trustee and commented upon by the Auditors in the Annual Report of the Fund.
- (f) 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 AMC.
- (g) The valuation of investment made under Sharia complaint investments e.g. Modaraba, Musharika, Murabaha, etc. will be made by AMC with the approval of the Trustee and in consultation with the Sharia Advisor. The auditors will comments on the policy of valuation in the Audit Report.

- (h) AMC and Trustee will value the non-listed securities at least after every three months.
- (i) The income accrued on any instruments on the date of valuation shall be taken into account in any calculation of Net Asset Value of such securities in the portfolio of the Fund.
- (j) In case of deferred expenses, accrued expenses for the period will be taken into account for determining total liabilities.

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

$$\begin{aligned} \text{Total NAV} &= V_A - L_T \\ \text{NAV per unit} &= \frac{\text{Total NAV}}{\text{No. of units outstanding}} \end{aligned}$$

V_A = Value of Total Assets of the Fund as on date.

L_T = Total liabilities of the Fund as on date.

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

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

4.5 Investment Management:

ICB AMCL, the Asset Management Company of the Fund under the active guidance of the Shariah Council shall conduct the day-to-day management of the Fund's portfolio subject to the provisions laid down in the Securities and Exchange Commission (Mutual Fund) Rules, 2001 and trust deed or any general directions given by the trustee and/or by the Commission.

However, ICB AMCL will have discretionary authority over the Fund's portfolio about investment decision.

4.6 Dividend Policy:

- (1) The accounting year of the Fund shall be July 01 to June 30 and the first year-end shall be June 30, 2005.
- (2) The Fund shall distribute minimum 80 percent of the annual net income of the Fund as dividend at the end of each accounting period after making provision for Bad and Doubtful Investments. The Fund shall create a Dividend Equalization Reserve by appropriation from the income of the Fund.
- (3) Before declaration of dividend, the Asset Management Company shall make a provision in consultation with the auditors if market value of investments goes beyond the acquisition cost and the method of calculation of this provision will be incorporated in the notes of accounts.
- (4) Surpluses arising simply from the valuation of investments shall not be available for dividend.
- (5) Dividend warrants will be dispatched within 30 days from the declaration of such dividends.
- (6) Before registration for transfer of ownership, a transferee shall not possess the right to any dividend declared.

CHAPTER-5

RISK MANAGEMENT

5.1 Risk Factors

Investment in securities market always bears some risks. Investment in this 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.

- (i) The performance of the Fund is directly related with the macro economic situation particularly the capital market of Bangladesh.
- (ii) Since the capital market of Bangladesh is highly volatile, there is no assurance of achieving the stated objective of the Fund.
- (iii) Due to small number of 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.
- (iv) As there is a limited scope of investment under Sharia Law in Bangladesh, it would be difficult for the Fund Manager to swap between asset classes if and when required.
- (v) 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.
- (vi) If the companies fail to provide expected dividend, this may affect the return of the Fund.
- (vii) For investing in Pre-IPO Placement securities i.e. in unlisted equity securities by the Fund may involve liquidity risk.
- (viii) Uncertainties like political and social instability may affect the value of the Fund's Assets.
- (ix) Adverse natural climatic condition may hamper the performance of the Fund.
- (x) Due to inadequate supply of Sharia complaint securities, full investment of the fund may require comparatively longer time which may affect the profitability of the fund.
- (xi) As only the halal income shall be considered as income of the fund, this may lead to the lower income of the fund as compared with that of traditional mutual funds.

5.2 Expected Market performance of the Fund:

- (i) Image of ICB, being the holding company of the ICB Asset Management Company Ltd. and the Trustee of the Fund for successful marketing of eight close-end and one open-end mutual fund may motivate investors to invest in this Fund.
- (ii) Successful launching and subsequent good performance of two mutual funds of ICB Asset Management Company Ltd. may attract the investors to invest in this Sharia based fund.

CHAPTER-6

FORMATION, MANAGEMENT AND ADMINISTRATION

6.1 Sponsor of the Fund

ICB Capital Management Ltd. (ICML), a subsidiary of ICB will be the sponsor of the Fund. ICB Capital Management Ltd. (ICML) was created as part of the restructuring program of ICB under Capital Market Development Program (CMDP) initiated by the Government of Bangladesh (GOB) and the Asian Development Bank (ADB). The company was incorporated as a public Ltd. company under the companies Act, 1994 with the Registrar of Joint Stock Companies and Firms on 05 December, 2000. Registration of the company with the SEC was also obtained on 16 October, 2001 and the gazette notification of Govt. of Bangladesh has been issued with a view to carry out the merchant banking activities. Although it is a newly created company, it has enormous scope of expansion and growth in the field of merchant banking as ICB shall not undertake any new business in this area rather these functions will be carried out by this company.

The present authorized and paid up capital of the company are Tk. 100.00 crore and Tk. 8.00 crore respectively. The company is being managed by high caliber professional people mostly taken from ICB. An independent board consisting members from private and public sectors provides guidance in framing objectives & policies of the company. Besides, ICB as holding company, also supervise and control the performance of the company.

6.2 Trustee and Custodian of the Fund

In order for maximum trust and confidence of the investors, supervisory bodies and persons concerned towards the fund, the Investment Corporation of Bangladesh (ICB) itself will act as the trustee and custodian of the Fund. The Investment Corporation of Bangladesh (ICB) was established on 1 October 1976, under “The Investment Corporation of Bangladesh” Ordinance, 1976 (No. XL of 1976) with a view to encouraging and broadening the base of investment, develop the capital market, mobilize savings, promote and establish subsidiaries for business development & provide for matters ancillary thereto. Over the years, the activities of ICB have grown manifold, particularly in Merchant Banking, Mutual Funds operations and stock brokerage activities. ICB is the biggest investment bank and the harbinger of mutual funds in the country. Out of country’s eleven (11) closed-end mutual funds, ICB manages eight funds. ICB also manages the only open-end fund in the country. ICB is the trustee and custodian of the ICB AMCL Mutual Fund and ICB AMCL Unit Fund floated recently by the ICB Asset Management Company Ltd.

ICB has acted as trustee to debentures amounting TK.1.42 billion in aggregate out of total Tk.2.93 billion publicly traded debentures. ICB also acted as underwriter/ manager to the issue to more than 370 companies of which 101 companies are publicly traded companies. Besides portfolios of over 51,000 investors (margin accounts), institutional portfolios including mutual funds and unit fund were also being managed by ICB. The Corporation has long and proven

experience in advisory function, particularly in buying and selling of shares, corporate restructuring and engineering, off loading of govt. shares and hosts of other merchant banking related activities for the benefit of its clients. ICB has been playing a unique role in the development of country's capital market.

6.3 Investment Manager of the Fund

ICB Asset Management Company Ltd. (ICB AMCL) a subsidiary of ICB will act as the investment manager of the Fund. ICB Asset Management Company Ltd. (ICB AMCL) was created as part of the restructuring program of ICB under Capital Market Development Program (CMDP) initiated by the Government of Bangladesh and ADB. The company was incorporated as a public limited company with an authorised capital of Tk. 100.00 crore and a paid-up capital of Tk. 5.00 crore under the Companies Act, 1994 with the Registrar of Joint Stock Companies & Firms on 5 December, 2000. Registration of the company with the SEC was obtained on 14 October, 2001. Necessary Government Gazette Notification has also been obtained on 1st July, 2002 to carry out the Mutual Fund operations. At present, the Company is managing one open-end Mutual Fund and one Closed-end Mutual Fund.

As per relevant provision of the ICB Ordinance, ICB shall hold all or majority shares of the company and may review business objectives, supervise and control its performance. The CEO and other key personnel have been deputed to the company from ICB. An independent Board consisting 50 per cent directors from ICB and the rest from private sector, has been created.

Brief profiles of the directors and key personnel of the company are as under:

Mr. Md. Fayekuzzaman, General Manager of ICB is the Chairman of ICB Asset Management Company Ltd. He obtained his master degree with honors in Management and completed post graduation on development finance from United Kingdom. He has about 24 years of service experience out of which twenty years in ICB and four years in BMDC in counseling, training, investment banking, portfolio management and other development banking activities. He has completed different training programs in home and abroad.

Mrs. Kamrul Islam Asad, M.A. in Jurisprudent is a Director of ICB Asset Management Company Ltd. He has completed 26 years of service in the Corporation in legal affairs and Fund Management operation. He has completed several training programs.

Mr. Khondoker Md. Iqbal, Deputy General Manager of ICB is the Chief Executive Officer of the Company. He obtained his master degree with honors in accounting and diploma on decision base from Sweden. He has about 23 years of service experience in ICB. During this period he was associated with the portfolio management, project appraisal, fund management and accounts. He has completed several training programs on investment and development banking in home and abroad.

Dr. Mokbul Ahmed Khan, an M.A. in Economics from Dhaka University and Ph.D. in Economics is a director of the company. He has obtained post-Doctoral Fellowship from New Zealand, Post Graduate Diploma in Personnel Management from BIPM. He has completed different training programs in home and abroad. He is the secretary general of BPMI and associated in consultancy business. He served the Government for about 25 years.

Mrs. Nilufer Ahmed Karim, a director of the Company, is an M.A. in Economics. She was a visiting scholar & Honorary Fellow of Department of Commerce and Business Administration of University of Illinois, U.S.A. She has completed different training programs in home and abroad.

Mr. Md. Nurul Alam, a director of the company is an MBA in Finance. He has obtained various professional training from home and abroad. He was an Executive Director of Bangladesh Bank and retired from the job few years back. Presently he is the president of IBA Alumni Association.

Senior executives of the company, deputed from ICB, are highly experienced in the relevant fields with excellent academic background in Accounting, Management, Marketing, Economics & Computer Science. Most of them have undergone extensive training in capital market related subjects.

6.4 Shariah Advisor:

6.4.1 The first Shariah Advisory Board of the Fund shall be constituted with the following members:

- (1) Mr. Shah Abdul Hannan
- (2) Dr. M. Shamsheer Ali
- (3) Dr. Haroon Rashid
- (4) Mowlana Abul Kalam Azad
- (5) Mr. Md. Mukhlesur Rahman
- (6) Managing Director, ICB
- (7) Chairman, ICB AMCL
- (8) CEO, ICB AMCL

6.5 Auditors:

Hoda Vasi Chowdhury & Co., Chartered Accountants has been appointed as the Auditor of the Fund for the first year. They are one of the reputed audit firm of the country. Subsequent auditors shall be appointed by the Trustee.

6.6 Shariah Compliance Auditor:

(a) The Auditor of the Fund will also act as Shariah Compliance Auditor, and will complete Shariah Compliance Audit of the Fund for each Accounting Period within 30 days from the date of closing of Accounting Year, and will issue a Shariah compliance audit report.

CHAPTER-7

FINANCIAL CHARGES

7.1 Limitation of Expenses:

- (a) The initial issue expenses in respect of the scheme shall not exceed 5% of the fund raised under the scheme.
- (b) The total expenses charged to the Fund, except the amortization of initial issue expenses and including transaction cost in the form of stock brokerage against buy & 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, listing fees payable to the stock exchanges, the annual registration fees payable to the Commission, fees payable to CDBL, audit fees, cost for publication of reports & periodicals, bank charge, etc, shall not exceed 4% of the weekly average net asset outstanding during any accounting year or as may be determined by the Rules.

7.2 Fees and Expenses:

The Fund will pay the fees of AMC, the Trustee, the CDBL 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, listing together with certain other costs and expenses incurred in its operation, including without limitation expenses of legal & consulting services, auditing, other professional fees and expenses, brokerage, share/debenture registration expenses, guarantee or underwriting commission and fees due to the SEC. The Fund will also bear all the other incidental expenses including printing, publication and stationery relating to its smooth & fair operation.

Keeping in mind, the fund size of Taka100 million, ICB Asset Management Company Ltd. estimated the normal annual operating expenses of the Fund which will not exceed 4 per cent of the average NAV of the Fund. Major expenses of the Fund are detailed as follows:

(a) Issue and Formation Expenses :

Issue and formation expenses is estimated to be not over 5 per cent of the total Fund size i.e. Tk. 50,00,000.00 The expenses will be amortized within 10 years on a straight line method. The estimated expenses for the issue and formation of the Fund are presented below :

1.	Brokerage	...	...	...	...	...	...	0.70 per cent
2.	Banker to the issue fee	...	...	...	...	...	...	0.60 per cent
3.	Printing & Publication	...	...	...	...	...	...	1.60 per cent
4.	Legal Expenses (Listing Fees, Registration Fees etc.	...	...	...	...	...	...	1.60 per cent
5.	Other expenses.	...	...	...	...	...	...	<u>0.50 per cent</u>
	Total	...	...	...	...	...	...	<u>5.00 per cent</u>

(b) **Management Fee :**

The Fund shall pay annual management fee to the ICB Asset Management Company Ltd. @ 2.50 percent per annum of the weekly average NAV up to Tk. 5.00 crore and @ 2.00 percent per annum for additional amount of the weekly average NAV up to Tk. 25.00 crore over Tk. 5.00 crore and @ 1.50 percent per annum for additional amount of the weekly average NAV up to Tk. 50.00 crore over 25.00 crore and @ 1.00 percent per annum for additional amount of the weekly average NAV over Tk. 50.00 crore, accrued and payable annually.

(c) **Trustee Fee :**

The Fund shall pay an annual trusteeship fee of Tk. 1,00,000.00 (one lac) only during the life of the Fund.

(d) **Custodian Fee :**

The Fund shall pay to the custodian i.e. ICB safekeeping @ 0.10 per cent of balance securities calculated on the average month end value per annum.

(e) **Fund Registration and Annual Fee :**

The Fund has paid Tk. 200,000.00 to the Securities & Exchange Commission (SEC) as registration fee. In addition to that the Fund will have to pay Tk. 100,000.00 per annum as annual fee in terms of Securities & Exchange Commission (Mutual Fund) Rules, 2001.

(g) **Listing Fee:**

The usual listing fees, annual renewal fees and other charges are to be paid by the Fund to the stock exchanges.

(h) **Audit Fee:**

The audit fee will be Tk. 10,000.00 for the first year and Trustee will fix fees for subsequent years.

(i) **Shariah Advisory Fee:**

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

CHAPTER-8

CAPITAL STRUCTURE, TAXATION & RIGHTS OF UNIT HOLDERS

8.1 Issuance of unit.

The paid up capital of the Fund shall be Tk. 100,000,000.00 divided into 1,000,000 units of Tk. 100.00 each. The total distribution of units shall be as follows :

Subscribers	No of units	Face Value(Tk.)	Amount (Tk.)	Remarks
Sponsor	100,000	100.00	100,00,000.00	Subscribed
Pre-IPO Placement	200,000	100.00	20,000,000.00	Subscribed
General Investors	700,000	100.00	70,000,000.00	Yet to be subscribed
Total	1,000,000	100.00	100,000,000.00	

PRE-IPO PLACEMENT

a) Subscription from sponsor

ICB Capital Management Ltd., the sponsor, has already subscribed Tk. 100,00,000.00 for 100,000 units of Tk. 100.00 each at par.

b) Pre-IPO Placement to Institutional Investors:

The following institutions have been subscribed Tk. 20,000,000/- for 200,000 units of Tk. 100.00 each at par:

Sl. No.	Pre-IPO Investors	No. of units	Amount (Tk.)
1.	Investment Corporation of Bangladesh (Different Portfolios)	1,50,000	1,50,00,000.00
2.	ICB Capital Management Ltd. (IA Holders)	20,000	20,00,000.00
3.	First BSRS Mutual Fund	20,000	20,00,000.00
4.	Union Capital Ltd.	10,000	10,00,000.00
	Total	2,00,000	2,00,00,000.00

Public Offer:

10% of the Public Offer i.e. 70,000 units of Tk. 100.00 each totaling Tk. 7,000,000.00 are being offered to the Non-Resident Bangladeshies (NRBs) and the rest 630,000 units of Tk. 100.00 each amounting to Tk. 63,000,000.00 are being offered to the general public for subscription in cash in full on application. The distribution is as under :

Sl. No.	Particulars	No. of <u>units</u>	Amount (Tk.)
1.	Non-Resident Bangladeshies (NRBs)	70,000	7,000,000.00
2.	General Public	630,000	63,000,000.00
Total		700,000	70,000,000.00

8.2 Tax Exemption :

Investment in this Fund by individual investors will enjoy tax credit under section 44(2) of the Income Tax Ordinance, 1984. Moreover, income in the hand of the individual investors will be tax-free upto Tk. 25000.00.

8.3 Rights of the unit holders:

- (a) **Dividend:** All the unit holders have equal but proportionate right in respect of dividend.
- (b) **Transfer of units:** Units of the fund are transferable. The transfer will be made by the CDBL under electronic settlement process.
- (c) **Voting Right:** 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 SEC (Mutual Fund) Rules, 2001. In case of show of hands, every share 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.
- (d) The unit holders shall preserve only the beneficial interest in the trust properties pro rata basis of their ownership of the respective schemes.
- (e) **Periodic Information:** All the unit holders of the Fund shall have the right to receive the Annual Report & Audited Accounts of the fund. Moreover, NAV of the Fund be informed to the unit holders on monthly basis through DSE/CSE and newspapers.
- (f) **Accounts and Information:** The Fund's financial year will be closed on 30th June every year. Annual report or major head of Income & Expenditure A/C and Balance Sheet in line with schedule VI of the Securities and Exchange Commission(Mutual Fund) Rules, 2001 will be published within 45 (forty five) days from the closure of each accounting year. Furthermore, the NAV, NAV per unit, any suspension or alteration of the calculation of NAV of the fund will be published / notified to the DSE and CSE by the Asset Management Company.

CHAPTER - 9

REDEMPTION/ WINDING UP POLICY:

9.1 Procedure of Redemption/ Winding up

- a) The Mutual Fund shall be redeemed on maturity on the expiry of the ten-year tenure of the Fund from the date of first listing. However, unit holders at a general meeting arranged by the Trustee and the ICB Asset Management Company Ltd. may decide to extend the life of the Fund with three-fourth-majority vote of the unit holders.
- b) The Fund may also be wound up on the happening of any event, which, in the opinion of the Trustee, requires the scheme to be wound up;
- c) The Fund may also be wound up if seventy five per cent of the unit holders of the scheme pass a resolution that the Fund should be wound up;
- d) The Fund may also be wound up if the Commission so directs in the interest of the unit-holders;
- e) Where the Fund is to be wound up in pursuance to the above, the Trustee and the Asset Management Company shall give separate notice of the circumstances leading to the winding up of the scheme to the Commission and the Stock Exchanges and if winding up is permitted by the Commission, shall publish in two daily newspapers having circulation all over Bangladesh and also in a vernacular newspaper circulating at the place where the Mutual Fund is established.

9.2 Manner of Redemption/ Winding up

- a) The Trustee shall call a meeting within thirty days from the notice date of the unit holders t
- b) o consider and pass necessary resolutions by three-fourth majority of the unit holders present and voting at the meeting for authorizing the Trustee to take steps for winding up of the scheme. If it fails to have three-fourth majority mandate, the Commission shall have the power to supercede the mandate if situation demands such.
- c) The Trustee shall dispose off the assets of the Fund in the best interest of the unit holders, provided that the proceeds of sale made in pursuance of the Rules, shall in the first instance be utilized towards discharge of such liabilities as are properly due under the scheme and after making appropriate provision for meeting the expenses connected with such winding up, the balance shall be paid to the unit holders in proportion to their respective interest in the assets of the scheme as on the date when the decision for winding up was taken.
- d) Within thirty days from the completion of the winding up, the Trustee shall forward to the Commission and the unit holders a report on the winding up containing particulars such as circumstances leading to the winding up, the steps taken for

disposal of assets of the Fund before winding up, expenses of the Fund for winding up, net assets available for distribution to the unit holders and a certificate from the auditors of the Fund.

9.3 Effect of Redemption/ Winding up

- i) On and from the date of the notice of the winding up of the Fund the Trustee or the Asset Management Company as the case may be, shall:
 - a. Cease to carry on any business activities of the Scheme;
 - b. Cease to create and cancel units of the scheme;
 - c. Cease to issue and redeem units of the scheme.

CHAPTER-10

CONDITION OF PUBLIC OFFER, ALLOTMENT & APPLICATION OF UNITS

10.1 Unit Issue :

(a)	70,000 units of Tk. 100.00 each are being offered at par to the Non-Resident Bangladeshies (NRBs) for subscription.	Tk. 7,000,000.00
(b)	630,000 units of Tk. 100.00 each are being offered at par to the General Public for subscription.	Tk. 63,000,000.00
	Total	Tk. 70,000,000.00

10.2 Minimum subscription for the issue :

The target amount to be raised in respect of the Fund is Tk. 100,000,000.00 (Tk. one hundred million) only including sponsors portion and private placement. As per Securities and Exchange Commission (Mutual Fund) Rules, 2001, the minimum subscription will be 60 percent of the Funds target amount i.e. Tk. 60,000,000.00 (sixty million) only including sponsors contribution & subscription collected through Pre IPO Placement. The Trustee & AMC shall be liable to refund to the public the entire amount collected if public subscription fails to achieve a minimum amount of Tk. 30,000,000.00.

10.3 Conditions of Allotment :

- (a) Non-Resident Bangladeshies (NRBs) have the preferential right for allotment to the extent of 10% of the public offer mentioned above.
- (b) The rest 90% of the public offer i.e. 630,000 units of Tk. 100.00 each will be allotted among the general public category where, in addition to individuals, financial institutions, market intermediaries and other institutions will be allowed to apply.
- (c) In case of over subscription of both the categories mentioned above, ICB AMCL shall conduct an open lottery of all the applications received under each category separately.

- (d) In case of under-subscription under the NRBs 10% category, the under-subscribed portion shall be added to the general public category and if after such addition there is over subscription in the general public category, ICB AMCL will conduct an open lottery of all the application added together.
- (e) In case of over subscription under the NRBs 10% category as mentioned above, open lottery of the NRBs' category will be held first and the unsuccessful applicants shall be added to the general public category and if after such addition there is over subscription in the general public category, ICB AMCL shall conduct an open lottery of all the applicants in the general public category added together.
- (f) IPO distribution system:
All the applicants shall first be treated as applied for one minimum market lot of Tk. 5000/- worth of units. 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. On the other hand, if there is under subscription, then all the applicants shall first be distributed with a single lot, and thereafter, for the balance amount, lottery shall be held for the applicants who have applied for multiple lots on the basis of dividing the application money by the amount of a market lot separately for both non-resident Bangladeshis (NRBs) and General Public.
In case of over subscription, allotment shall be made by lottery among all the valid applicants in presence of the authorized representatives of the stock exchange(s) concerned, Sponsor, Asset Management Company and Trustee.
- (g) Lottery, if needed shall be conducted in the presence of representatives from the Stock Exchanges, SEC & the applicants, if, present.
- (h) In case of any difficulty in respect to implement the condition of offer & allotment of shares, the allotment of shares will be made in such a manner as determined by the SEC.
- (i) The Fund reserves the right to accept or reject any application in whole or in part.
- (j) The Asset Management Company shall issue units allotment letters to all successful applicants within 30 (thirty) days from the date of the subscription closing date. At the same time, the unsuccessful applicants shall be refunded with the application money within 30 (thirty) days from the closing of the subscription date **by Account Payee Cheque without interest 'payable at Dhaka/Chittagong/Khulna/Rajshahi/Barisal/Sylhet, as the case may be.**
- (k) In case of joint application all correspondence will be made with the person whose name appears first.

10.4 Condition of Application:

- (a) Application for units must be made for minimum of 50 (fifty) units of Tk. 100.00 each valuing Tk. 5000/- (five thousand) or multiples thereof and must not be for less than 50 units.

- (b) Application should preferably be made on the prescribed printed forms. Application Form and Prospectus may be obtained from the registered office of the AMC, members of DSE and CSE or from the Bankers to the Issue. In case, adequate forms are not available, applicants may use photocopied, cyclostyled, hand written or typed copies of the forms.
- (c) Joint application form for more than two persons will not be accepted. In the case of joint application, each party must sign the application form.
- (d) Application must contain full name of individuals or limited companies or trusts or societies, Bangladeshi or foreign, but not in the name of minors or persons of unsound mind or any other person not eligible to contract.
- (e) An applicant can submit only two applications, one in his/her own name and the other jointly with another person. In case an applicant makes more than two applications, those in excess of two applications shall not be considered for allotment purpose.
- (f) All completed application forms together with the subscription for the full amount payable shall be lodged by the investors, other than NRBs, with any of the branches of the Bankers to the Issue.
- (g) Payment for subscription by investors, other than NRBs, may be made to the branches/office of the banks mentioned on page 30, in Cash/Cheque/Pay Order/Bank Draft. The Cheque/Pay Order/Bank Draft shall be made payable to the bank to which it is submitted and be marked "ICB AMCL Islamic Mutual Fund" as the payee and shall bear the crossing "A/C Payee Only" and must be drawn on a bank in the same town of the bank to which application form is deposited. The subscription money shall not be invested or be utilized for any other purpose before issuing refund warrants.
- (h) The NRB applicants will submit the filled-in application form along with foreign currency drafts in US Dollar, UK Pound Sterling or Euro drawn and payable at Islamic Bank Bangladesh Ltd. directly to the office of the AMC.
- (i) A NRB shall apply either directly, by enclosing a foreign currency demand draft drawn on a bank payable at Dhaka, or through a nominee (including a Bank or a Company) by paying out of foreign currency deposit account maintained in Bangladesh, for the value of securities applied for. The value of securities applied for may be paid in Taka, US Dollar, UK Pound Sterling or Euro at the rate of exchange mentioned on the Application Form. Refund against over subscription shall be made in the currency in which the applicant paid the value of shares applied for. Copies of application form and prospectus will be available with the Bangladesh Embassy/High Commission in USA, UK, Saudi Arabia, U.A.E, Malaysia, Japan and South Korea.
- (j) A NRB may apply through NITA (Non- interest Taka Account).
- (k) The subscription money collected from investors (other than NRBs in US Dollar, Euro or UK Pound Sterling) by the Bankers to the Issue will be remitted to the **Escrow A/C No. 01088352 of Islami Bank Bangladesh Limited, Local Office, Motijheel , Dhaka-1000.**

- (l) The subscription money collected from NRBs in US Dollar, UK Pound Sterling or Euro shall be deposited to “FC Accounts for IPO” No. SPL-FCAD -03 in US Dollar, No. SPL-FCAE-01 in Euro and SPL-FCAP-01 in UK Pound Sterling with the Islami Bank Bangladesh Limited, Local Office, Motijheel, Dhaka-1000 on approval of prospectus by the SEC; and the accounts will be closed after refund of over subscription, if any.
- (m) ***APPLICATIONS NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS AND THE INSTRUCTIONS PRINTED ON THE APPLICATION FORM ARE LIABLE TO BE REJECTED.***

**ICB AMCL ISLAMIC MUTUAL FUND
APPLICATION FORM FOR UNITS BY INVESTORS OTHER THAN NRB'S**

(Please read the instructions on the back of the form. Incorrectly filled applications may be rejected)
Please complete this form in BLOCK LETTERS

To: The Chief Executive Officer
ICB Asset Management Company Ltd.
Shilpa Bank Bhaban
8, DIT Avenue (15th floor)
Dhaka-1000.

Banker's S L. No.

Broker's Stamp

Gentlemen/Madam,

I/We apply for the ICB AMCL Islamic Mutual Fund units as indicated below, and I/we agree to accept the same or any smaller number that may be issued to me/us, subject to the Fund's Deed of Trust and the terms of the Prospectus. I/we confirm that I/we have received and read the Prospectus. I/we declare that I am /we are 18 years of age or over. Further, I/we authorize you to place my/our name(s) on the Register of unit Holders of the Fund as the holder(s) of units issued to me/us pursuant to this application and to send Allotment Advice and to credit the allotted units in my/our depository account (BO Account) and/or a crossed (account payee only) cheque in respect of any application money refundable by post/courier at my/our risk to the first applicant's address stated below:

- No. of units of Tk. 100.00 each
- Amount of Tk. (in figure) Taka (in words)
.....
deposited vide Cash/Cheque/Draft/Pay Order No. dated
drawn on Bank..... Branch.
- Depository (BO) Account . (Please see instruction no. 15) No

4. I/we agree to fully abide by the instructions given herein.

5. Particulars of Applicant(s) :

Sole/First Applicant: Mr./Mrs./Ms.
Father's/Husband's Name:
Postal Address:
Occupation: Nationality..... Tel No.....
For refund warrant: Applicant's Bank A/C. No.....
Name of the Bank: Branch:

Second Applicant : Mr./Mrs./Ms.
Father's/Husband's Name:
Postal Address:
Occupation: Nationality.....

6. Specimen Signature(s)

First Applicant:

[Signature box for First Applicant]

Second Applicant:

[Signature box for Second Applicant]

BANKER'S ACKNOWLEDGEMENT

Certified that this bank has received Tk. (in word) only from Mr./Mrs./Ms.being application money for number of units of ICB AMCL ISLAMIC MUTUAL FUND.

[Banker's Sl. No. box] Seal and Date

[Authorized Signature box] Authorized Signature (Name and Designation)

**ICB AMCL ISLAMIC MUTUAL FUND
APPLICATION FORM
INSTRUCTIONS**

1. All information must be typed or written in full (in block letter) in English or in Bangla and must not be abbreviated
2. Application must be made on the Fund's printed form/photocopy/type copy/hand written form thereof.
3. Application must not be for less than 50 units of face value of Tk. 100.00 or must be for a multiple of 50 units. Any application not meeting these criteria will not be considered for allotment purpose.
4. Deposit for the full amount of units must accompany each application and must be forwarded to any of the Bankers to the Issue. Remittance should be in the form of cash/cheque/bank draft/pay order payable to any of the Bankers to the Issue favoring "ICB AMCL ISLAMIC MUTUAL FUND" and crossed "A/C PAYEE ONLY" and must be drawn on a bank in the same town as the bank to which the application form has been sent.
5. In the case of a joint application, the allotment advice will be dispatched to the person whose name appears first in this application form and where any amount is refundable in whole or in part, the same will be refunded by Account Payee cheque by post/courier service to the person named first in this application form in the manner prescribed in the prospectus.
6. Joint applications from more than two persons will not be accepted. In case of joint application, each party must sign in the application form.
7. Application must be in the full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Application from companies or societies or trusts or statutory body must be accompanied by relevant documents authorizing investment in the firm such as Memorandum and Articles, Bye-Laws of the societies, resolution by the Management Body and Power of Attorney in favor of the person (s) signing the Application (s).
8. An applicant can submit two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, those in excess of two applications shall not be considered for allotment purposes.
9. No receipt will be issued for the payment made with the application but the bankers will issue a provisional acknowledgement for application lodged with them.
10. Refund will be made only through "ACCOUNT PAYEE" cheques with bank account number and name of bank branch, as mentioned in the application, payable at Dhaka.
11. Allotment shall be made solely in accordance with the instructions of the Securities and Exchange Commission (SEC).
12. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information will make the application liable for rejection and subject to forfeiture of application money. The said application money will be deposited in the account specified by the SEC. This may be in addition to any other penalties as may be provided for by law.
13. Applications, which do not meet the above requirements or applications, which are incomplete, shall not be considered for allotment purposes.
14. The bankers to the issue shall be obliged to receive the A/C payee cheque (s) on the closing day of the subscription of the IPO.
15. As per provisions of the depository Act, 1999 and regulations made there-under units will only be issued in dematerialized condition. Please mention your depository account (Beneficial owner or BO account) number clearly in the share application form.

If you do not have a depository account at the time of depositing the application money for the unit, you may also apply, subject to the condition that you shall have to inform the company in writing your depository account number subsequently for getting units of the company, if allotted in your favour, failing of which the allotted units shall be kept in a suspense account with the CDBL at your risk and responsibility, until otherwise decided by the SEC.

BANKERS TO THE ISSUE

<p>Investment Corporation of Bangladesh (ICB)</p> <p>Head Office,BSB Bhaban,8,DIT Avenue Dhaka. Local Office Br.,35/c Naya Paltan, Dhaka. Chittagong Branch,100,Agrabad C/A Chittagong. Rajshahi Branch,Dr.Gaffar Plaza,F-1160, Rajshahi Bogra Branch,Station Road,Satmatha, Bogra Khulna Branch, 25-26,KDA C/A, Khulna Barisal Branch, 87-88,Hemayat Uddin Road,Barisal Sylhet Branch,Chamber Bldg.Jail Road, Sylhet</p> <p>IFIC Bank Ltd.</p> <p>Federation Branch, Dhaka. Elephant Road Branch, Dhaka. Dhanmondi, Branch, Dhaka. Shantinagar Branch, Dhaka. Gulshan Branch, Dhaka. Naya Paltan Branch, Dhaka. Agrabad Branch, Chittagong Brahmanbaria Branch, Brahmanbaria Bogra Branch, Bogra Sylhet Branch, Sylhet Jessore Branch, Jessore Rajshahi Branch, Rajshahi Khulna Branch, Khulna Comilla Branch, Comilla Barisal Branch, Barisal Kushtia Branch, Kushtia Mymensingh Branch, Mymensingh Cox's Bazar Branch, Cox's Bazar Feni Branch, Feni Faridpur Branch, Faridpur Malibagh Branch, Dhaka. Lalmatia Branch, Dhaka Uttara Branch, Dhaka Pallabi Branch, Mirpur, Dhaka.</p> <p>Arab Bangladesh Bank (AB Bank) Ltd.</p> <p>Merchant Banking Wing, Dilkusha C/A, Dhaka. Principal Branch, Dilkusha, Dhaka Kawran Bazar Branch, Kawran Bazar, Dhaka. Kakrail Branch, Kakrail, Dhaka Dhanmondi Branch, Mirpur Rd,Lalmatia,Dhaka Mohakhali Branch, ,Mohakhali, Dhaka New Elephant Road Branch, Dhaka Uttara Branch, Uttara, Dhaka. Gulshan Branch, Gulshan Avenue, Dhaka. Nawabpur Branch, Nowabpur Road, Dhaka Mirpur Road Branch, Section -1, Mirpur, Dhaka. Rokeya Sarni Branch, Dhaka Agrabad Branch, Agrabad C.A. Chittagong Modhuban Branch, Bandarabazar, Sylhet Khulna Branch, K.D.A, Commercial Area, Khulna</p> <p>Bangladesh Shilpa Rin Sangstha</p> <p>Kawran Bazar Corporate Banking Br. BSRS Bhaban (1st FL.), Dhaka Motijheel Br. 56-57,Motijheel C/A,Dhaka</p>	<p>Dhaka Bank Ltd.</p> <p>Local Office, Adamjee Court, Motijheel, Dhaka. Bangshal Branch,2 Bangshal Lane, Dhaka. Imamganj Branch,Sarder Mansion, Dhaka. Islampur Branch, 6-7 Islampur Road, Dhaka. Banani Branch, 73/B, Kamal Ataturk Ave. Dhaka Foreign Exchange Branch,100 Moti. C/A,Dhaka. Dhanmondi Branch,H#7,Rd-4,Dhanmondi, Dhaka. Kawran Bazar Branch, 18 Kawran Bazar Dhaka. Uttara Branch., House # 95A, Sector-4, Uttara, Dhaka Amin Bazar Br., Amin Bazar, Savar, Dhaka Narayanganj Br., Tanbazar, Narayanganj EPZ Branch, EPZ Savar, Dhaka Agrabad Branch, 102 Agrabad, Chittagong Khatungonj Branch, Chittagong. Jublee Road Branch, Chittagong. Laldighirpar Branch, Kotwali, Sylhet Islamic Banking Branch, Sara Tower, 11/A Townebce Circular Rd. Motijheel , Dhaka. Fantasy Kingdom Br., Festival Plaza, Rd. # 83 Ashulia.</p> <p>Islami Bank Bangladesh Limited</p> <p>Local Office, Dhaka (Controlling Branch) Foreign Exchange Branch, Dhaka Farmgate Branch, Dhaka Nawabpur Branch, Dhaka Gulshan Branch, Dhaka Narayanganj Branch, Narayanganj Mirpur Branch, Dhaka C.M.B., Dhaka Agrabad Branch, Chittagong Khatungonj Branch, Chittagong Cox's Bazar Branch Khulna Branch Barisal Branch Jessore Branch, Bogra Branch Rajshahi Branch Dinajpur Branch Comilla Branch Chowmuhani Branch, Noakhali Feni Branch Sylhet Branch New Market Branch, Dhaka Mouchak Branch, Dhaka Jatrabari Branch, Dhaka Uttara Branch, Dhaka Shyamoli Branch, Dhaka Sitakunda Branch, Chittagong Moulvi Bazar Branch, Moulvi Bazar Kushtia Branch Pabna Branch</p>	<p>Prime Bank Ltd.</p> <p>Motijheel Branch, Dhaka Khatungonj Branch, Chittagong Moulvi Bazar Branch, Dhaka. Khulna Branch, Khulna Islamic Banking Branch, 19, Dilkusha, Dhaka. Sylhet Branch, Sylhet. Mohakhali Branch, Dhaka. Barisal Branch, Barisal Rajshahi Branch, Rajshahi Kawran Bazar Branch, Dhaka. Elephant Road Branch, Dhaka. Islamic Banking Branch, Sylhet Court Road Branch, Sylhet Mouchak Branch,83 Siddeswari Rd. Dhaka. Gulshan Branch, Dhaka. Narayanganj Branch, Narayanganj Agrabad Branch, Chittagong Jublee Road Branch, Chittagong Bangshal Branch, Dhaka. Jessore Branch, Jessore Gonakbari Branch, Savar, Dhaka. Uttara Branch, Sector-4, Uttara, Dhaka. Foreign Exchange Branch,83 Moti.C/A, Dhaka Dhanmondi Branch, Dhaka. Eskaton Branch, Dhaka. Bogra Branch,Borogola, Bogra. Madhabdi Branch, Narsingdi Banani Branch, Dhaka IBB Mirpur, Dhaka IBB O.R. Nizam Road, Chittagong Pragati Shoroni Branch, Maddhya Badda, Dhaka</p> <p>The City Bank Ltd.</p> <p>Principal Office, Jiban Bima Tower, Dhaka. B.B. Avenue Branch, 12, B.B. Avenue, Dhaka. Islampur Road Branch, 108 Islampur Rd. Dhaka. Johnson Road Branch, 31, Johnson Road, Dhaka. New Market Branch, 28, Mirpur Road, Dhaka. Gulshan Branch, 49, Gulshan South, Dhaka. Kawran Bazar Branch, Kawran Bazar, Dhaka. Foreign Exchange Branch, 27 Dilkusha, Dhaka. Mirpur Branch, Section- 1, Mirpur, Dhaka. Dhaka Chamber Br. 65-66, Motijheel, Dhaka. Mouchak Br, 80/ASiddeswari Circular Rd, Dhaka Tongi Branch, Tongi Bazar,Gazipur-1710 Tanbazar Branch, Narayanganj Agrabad Branch, Chittagong Khatungonj Branch, Chittagong Comilla Branch, Comilla. Barishal Branch, Barishal Bandar Bazar Branch, Sylhet. Rajshahi Branch, Natore Road, Rajshahi. Khulna Branch, 7, Sir Iqbal Road, Khulna</p>
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ICB AMCL ISLAMIC MUTUAL FUND
APPLICATION FORM
APPLICATION FOR UNITS: NON-RESIDENT BANGLADESHIS (NRBs)
(To be sent directly to the Asset Management Company's Head Office)

Warning: Please read the instructions on the back of this form. Incorrectly filled applications may be rejected

The Chief Executive Officer
ICB Asset Management Company Ltd.
Shilpa Bank Bhaban
8, DIT Avenue (15th floor)
Dhaka-1000
Bangladesh.

Banker's Sl. No.

Broker's Stamp

Gentlemen/Madam,

I/We apply for and request you to allot me/us the following number of units and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Fund's approved Prospectus and subject to the Fund's Deed of Trust. I/we confirm that I/we have received and read the Prospectus. I/we declare that I am /we are 18 years of age or over. Further, I/we authorize you to place my/our name(s) on the Register of unit Holders of the Fund as the holder(s) of..... units issued to me/us pursuant to this application and to send Allotment Advice and credit the allotted units in my/our depository account (BO Account) and/or a crossed (account payee only) cheque in respect of any application money refundable by post/courier at my/our risk to the first applicant's address stated below :

1. No. of units of Tk. 100.00 each Amounting to Tk. (in figure)
Taka (in words)Only Convertible into US Dollar at
US\$ 1.00 = Tk. UK Pound Sterling at UK £ 1.00 = Tk.or Euro at Euro
1.00 = Tk.

2. Deposited vide Cheque/Draft/Pay Order No. date for US
Dollar/UK Pound Sterling/Euro drawn on
Bank..... Branch

3. Depository (BO) Account . (Please see instruction no. 13) No.

4. I/we agree to fully abide by the instructions given herein.

5. Particulars of Applicant (s):

Sole/First Applicant: Mr./Mrs./Ms. Father's/Husband's Name: Postal Address: Occupation: Nationality: Passport and or ID Valid upto: Date of Birth: For refund warrant: Applicant's Bank A/C. No..... Name of the Bank: .....Branch:

Second Applicant: Mr./Mrs./Ms. Father's/Husband's Name: Postal Address: Occupation: Nationality: Passport and or ID (if any) : Valid upto: Date of Birth:
--

6. Nominee:

Name:
Postal Address:

7. Specimen Signature(s)

First Applicant:

Second Applicant:

Nominee

**ICB AMCL ISLAMIC MUTUAL FUND APPLICATION FORM
INSTRUCTIONS**

1. All information must be typed or written in full (in block letters) in English or in Bangla and must not be abbreviated.
2. Application must be made on the Fund's printed form/photocopy/typed copy/hand written form thereof.
3. Application must not be for less than 50 units of face value of Tk. 100.00 or must be for a multiple of 50 units. Any application not meeting this criterion will not be considered for allotment purpose.
4. Application must be accompanied by a foreign demand draft drawn on a bank payable at **Dhaka** or cheque drawn out of foreign currency deposit account maintained in Bangladesh for the full value of units favouring **"ICB AMCL Islamic Mutual Fund"** and crossed **"A/C. payee only"**.
5. Application shall be sent by the applicant directly to the ICB Asset Management Company Ltd. by 17 October, **2004** so as to reach the company by 26 October, **2004**. Application sent after 17 October, **2004** or received by the ICB AMCL after 26 October, **2004** will not be considered for allotment purpose.
6. Refund against over-subscription shall be made in the currency in which the value of units was paid for by the applicant at the same rate as stated on the application form through Account Payee cheque payable at Dhaka with bank account number, Bank's name and Branch.
7. In case of over-subscription, allotment shall be made by lottery solely in accordance with the instructions by SEC.
8. Money receipt on clearance of draft or cheque, as the case may be, shall be sent by post to the applicant by the company.
9. Joint application by two persons will be acceptable. In such a case, allotment or refund shall be made by post to the first applicant.
10. Application must be made by an individual, a corporation, or company, a trust or a society and not by a firm, minor or persons of unsound mind. Application from companies or societies or trusts or statutory body must be accompanied by relevant documents authorizing investment in the firm such as Memorandum and Articles, Bye-Laws of the societies, resolution by the Management Body and Power of Attorney in favor of the person (s) signing the Application (s).
11. Making any false statement or supplying incorrect information or suppressing any relevant information in the application shall make it liable to rejection and subject to forfeiture of the application money.
12. The intending NRB applicants shall deposit money by US \$ /UK Pound sterling /Euro draft drawn on any Bank and payable in Dhaka, Bangladesh, so that the issuer's collecting bank can clear the proceeds and deposit the same into issuer bank's account in time.

13. As per provisions of the depository Act, 1999 and regulations made there-under units will only be issued in dematerialized condition. Please mention your depository account (Beneficial owner or BO account) number clearly in the share application form.

If you do not have a depository account at the time of depositing the application money for the unit, you may also apply, subject to the condition that you shall have to inform the company in writing your depository account number subsequently for getting units of the company, if allotted in your favour, failing of which the allotted units shall be kept in a suspense account with the CDBL at your risk and responsibility, until otherwise decided by the SEC.

The NRB application along with the foreign draft, as above, is to be submitted to the Fund Manager's Head Office directly.

The spot buying rate (T.T. clean) in US \$, Euro and UK pound sterling of Sonali Bank at the day of subscription opening i.e. 12 October, 2004 will be applicable for the Non Resident Bangladeshi (NRB) applicants.