

# TRUST DEED

THIS DEED OF Trust is made at Dhaka on this the .....19th. day of ..July..... 2006 of the Christian era.

## BETWEEN

ICB Capital Management Ltd. (ICML) having registered office at 8, DIT Avenue (14th Floor), Dhaka, Bangladesh, represented by its Chief Executive Officer Mr. Md. Iftikhar-uz-zaman, S/O. Mr. Latifur Rahman hereinafter referred to singly, severally and collectively, as the AUTHOR or SPONSOR, which expression shall, unless it be repugnant to the context or meaning thereof, include their representatives, successors-in-interest and assigns of the FIRST PART.

## AND

Investment Corporation of Bangladesh (ICB) having its registered office at 8, DIT Avenue (12 –15 Floors), Dhaka, Bangladesh, represented by its Deputy General Manager Mr. Md. Wahiduzzaman Khandaker, S/O. Mr. Md. Abdul Hakim Khandakar herein after referred to as the TRUSTEE, which expression shall, unless it be repugnant to the context or meaning thereof, including its representatives, successors-in-interest and assigns of the SECOND PART.

## AND

WHEREAS the party of the first part is a subsidiary of a reputed financial institution in Bangladesh, engaged in various types of investment, and other non-banking financial and non-financial service business, having adequate skilled manpower in its concerned field of activities and offices and network of branches all over Bangladesh and are qualified to be the sponsor(s) of a Mutual Fund.

## AND

WHEREAS the party of the second part is a leading investment banker so far engaged in the Issue Management, Underwriting, Portfolio Management, Merchant Banking, Fund Management, Brokerage, Trustee and Custodian service activities and are qualified and capable to act as the Trustee of a Mutual Fund.

NOW THEREFORE, with the intent to create an investment product for the benefit of the small investors and the development of the capital market of Bangladesh and in consideration of mutual covenants and arrangements hereinafter set forth, it is hereby mutually agreed between the parties hereto as follows :

### 1. OBJECTIVES

TO CREATE A TRUST TO LAUNCH A MUTUAL FUND IN THE BANGLADESH CAPITAL MARKET WITH THE NAME AND TITLE OF “ICB AMCL FIRST NRB MUTUAL FUND” UNDER THE TERMS OF THIS DEED AS DETAILED HEREINAFTER:

- a) The Mutual Fund shall be constituted in the form of a trust created by virtue of this Deed of Trust in accordance with the provisions of Trust Act, 1882 (Act II of 1882) and under the provisions of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ (herein after referred to as the Rules.)
- b) This instrument of trust shall be registered duly under the provisions of the Registration Act, 1908 (Act No. XVI of 1908).
- c) The party of the first part shall sponsor a mutual fund to be floated in the Bangladesh capital market.
- d) The party of the second part shall act as the Trustee of the mutual fund to be sponsored by the party of the first part.
- e) The ICB Asset Management Company Ltd. (ICB AMCL) having its registered office at 8, DIT Avenue, 15<sup>th</sup> floor, Dhaka-1000 Bangladesh shall be the Asset Management Company of the Mutual fund under the provisions of the Rules.

- f) The ICB AMCL shall structure and float, seek registration and manage the mutual fund sponsored by the party of the first part under the Trusteeship of the party of the second part, as per the provisions of the Rules.
- g) The Investment Corporation of Bangladesh (ICB) having its registered office at 8, DIT Avenue (12-15<sup>th</sup> floor) Dhaka-1000 Bangladesh shall be the CUSTODIAN of the Fund as per the Rules and the Asset Management Company shall, subject to the approval of the Trustee, enter into an agreement with the Custodian for such services to the Fund in exchange of applicable fees.
- h) This Trust Deed shall constitute the basis of the Investment Management Agreement of the Fund, as provided for in the Rules.
- i) The Asset Management Company shall make initial public offering (IPO) of the mutual fund in the Bangladesh capital market, on approval from the Regulatory Authority under the applicable law, rules, regulations, etc.
- j) The party of the first part i.e. the Sponsor shall on the effective date make over to the Fund a sum of Tk. 1,00,00,000.00 (one crore) only to initiate the scheme of the Mutual Fund.
- k) The Trust Fund shall be a body corporate with powers to acquire, hold and dispose of property and to enter into contract and may sue and may be sued in its own name. The Asset Management Company shall perform the management activities of the Fund and all obligations and responsibilities mentioned in the name of the Fund shall be considered to be accomplished by the Asset Management Company on behalf of the Fund.

## **2. GENERAL PROVISIONS**

### **2.1. Definitions**

Unless the context otherwise requires, the following terms whenever used in this agreement have the following meanings:

- (a) “Applicable Law” means the laws and any other instrument having the force of law in Bangladesh, as they may be issued and remain in force from time to time;
- (b) “Deed” means this deed of trust between the parties of the first and second part;
- (c) “Effective Date” means the date of registration of this Trust Deed;
- (d) “Regulatory Authority” means the Securities and Exchange Commission (SEC) of Bangladesh;
- (e) “Securities and Exchange Commission (SEC)” or “Commission” means the Securities and Exchange Commission of Bangladesh;
- (f) “Rules” means the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১;
- (g) “Government” means the Government of the Peoples’ Republic of Bangladesh;
- (h) Central Depository means Central Depository Bangladesh Ltd. established under the Depositories Act, 1999;
- (i) “Mutual Fund” or “the Fund” means the ICB AMCL FIRST NRB MUTUAL FUND as structured, floated and managed by the ICB AMCL and sponsored by the party of the first part under the Rules;
- (j) “Scheme” means the ICB AMCL FIRST NRB MUTUAL FUND;
- (k) “Guardian” means the Trustee of the ICB AMCL First NRB Mutual Fund;
- (l) “Shareholder(s) or “Unit Holder(s)” means the holders of the Fund whose name appears on the register of the Fund for the time being;
- (m) “Party” means any party of the first or the second part, as the case may be;
- (n) In this deed except where the context otherwise require the singular shall include the plural and the vice versa and any gender shall include any other gender and the

words and expressions have the similar meaning assigned so by the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১;

- (o) Words and expressions used and not defined in the Rules but defined in the Securities and Exchange Commission Act, 1993 (Act No. 15 of 1993), the Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969), the Depositories Act, 1999 and the Companies Act, 1994 (Act No. 18 of 1994), shall have the same meaning respectively assigned to them in those Acts and Ordinance.

## **2.2 Relation between the Parties**

- 2.2.1 Nothing contained herein shall be construed as establishing a relation of master and servant or of agent and principal as between the parties hereto.

## **2.3 Governing Law**

- 2.3.1 The terms of this deed shall not be amended without the prior approval of the unit holders by simple majority of the present unit holders at a meeting called for the purpose of amendment with 15 days notice and without the prior approval of the Commission and this deed, its meaning and interpretation, and the relation between the parties shall be governed by the applicable Laws, Rules and Regulations and customs and practices of the Capital Market and Securities and Exchange Commission (SEC) of Bangladesh.
- 2.3.2 Notwithstanding anything contained in this Deed of Trust, any amendment in the form of rectification, suspension, addition, deletion or revocation of any terms or clause or provision of this Deed at any time, prior or subsequent to registration of this deed, ordered and enforced by the Securities and Exchange Commission (SEC) shall be deemed to have been incorporated in the Deed and such provisions in the Deed shall stand amended to the extent of the inconsistency as if has been effected by the parties hereto without prejudice to the rights for appeal of the parties.
- 2.3.3 Notwithstanding anything contained in this Deed of Trust, 2<sup>nd</sup> Schedule of the Rules shall form part of the Trust Deed and anything in this Deed contrary to the 2<sup>nd</sup> Schedule shall be treated null and void to the extent of inconsistency.

## **2.4. Registered Address :**

The Registered Address of the Trust shall be the office of the ICB Asset Management Company Ltd. at 8, DIT Avenue (15 Floor), Dhaka, Bangladesh.

## **3. THE FUND**

### **3.1. Main Features of the Fund**

- (a) There shall be one scheme of the Fund named ICB AMCL First NRB Mutual Fund and the target size of the scheme shall be Tk.10.00 (Ten) crore or Tk.100 million;
- (b) The registration fee as payable to the Commission under the Rules for establishing the Mutual Fund and for registration of this deed shall be paid from the Fund by the Asset Management Company;
- (c) The first part shall provide the Fund a sum of Tk. 1.00 (one) crore or Tk. 10 million on effective date and the rest shall be raised by the Asset Management Company through reserve for mutual funds and Initial Public Offering (IPO) as per the Rules of the Authority;
- (d) The Fund will be redeemed on maturity at the end of the tenth year. 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;
- (e) The Face Value of the units of the Fund will be of Taka one hundred and the market lot will be of 50 units of Tk. 5000.00.

### 3.2 Investment Parameters

- (a) The Fund shall invest subject to the Rules and only in securities, deposits and investments approved by the Securities & Exchange Commission and/or the Bangladesh Bank.
- (b) The Schemes of the Fund shall not invest more than 10% of its total assets in any one particular company.
- (c) The Schemes of the Fund shall not invest in more than 15% of any company's paid-up capital.
- (d) The Schemes of the Fund shall not invest more than 20% in shares, debentures or other securities of a single company or group.
- (e) The Schemes of the Fund shall not invest more than 25% of its total assets in shares, debentures or other securities in any one industry.
- (f) Not less than 75% of the total assets of the fund will be invested in capital market instruments out of which at least 50 per cent will be invested in listed securities.
- (g) Not more than 25% of the total asset of the fund will be invested in Fixed Income Securities (FIS).
- (h) Not more than 15% of the total asset of the Fund shall be invested in pre-IPOs at one time.
- (i) The Fund shall not invest in or lend to another scheme under the same Asset Management Company.
- (j) 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.
- (k) The Fund or the Asset Management Company on behalf of the Fund shall not give or guarantee term loans for any purpose or take up any activity in contravention of the Rules.
- (l) All money collected under the Fund shall be invested only in encashable/transferable instruments, securities whether in money market or capital market or privately placed Pre-IPO equity, debentures or securitized debts.
- (m) The Fund shall buy and sell securities on the basis of deliveries and shall, in all cases of purchases, take delivery of securities and in all cases of sale, deliver the securities on the respective settlement dates as per the custom and practice of the stock exchanges and shall in no case put itself in a position whereby it has to make short sale or carry forward transaction.
- (n) The Fund shall get the securities purchased or transferred in the name of the Fund.
- (o) The Fund shall not involve in option trading or short selling or carry forward transactions.
- (p) 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.
- (q) For securitized debts, debentures, margin or fixed deposits, the accrued interest on such instruments on the date of valuation shall be taken into account in any calculation of Net Asset Value of such securities in the portfolio of the Fund.
- (r) The Fund shall follow the method approved by the Commission for valuation of the non-traded investment, if any, and the Trustee shall periodically review the value of such investments.
- (s) The valuation of non-traded securities will be made with their reasonable value by the Asset Management Company and approved by the Trustee and commented upon by the Auditors in the Annual Report of the Mutual Fund but shall not be more than the intrinsic value of the securities.

## **4. RIGHTS, DUTIES AND OBLIGATION OF THE PARTIES OF THE FUND**

### **4.1 The Sponsor**

- 4.1.1 The ICB Capital Management Ltd. (ICML) shall be the Sponsor of the Fund.
- 4.1.2 The Sponsor shall cause to constitute the Mutual Fund by virtue of this Trust Deed.
- 4.1.3 The Sponsor shall appoint the Trustee of the Mutual Fund by virtue of this Trust Deed, who shall hold the property of the Fund in trust for the benefit of the Fund and the unit holders in accordance with the Rules.
- 4.1.4 The Sponsor shall appoint the Custodian, who shall provide custodial service to the Fund in accordance with the Rules.
- 4.1.5 The Sponsor shall appoint the Asset Management Company, who shall manage the Mutual Fund for the benefit of the fund and the unit holders in accordance with the Rules.
- 4.1.6 The Sponsor shall contribute an amount of Tk. 1,00,00,000.00 (say Tk. one crore or Tk. ten million) only at a future date on demand from the asset management company to form the fund.
- 4.1.7 The Sponsor shall, if required by the Commission, furnish such information or clarification as may be considered necessary for grant of registration of the Fund.
- 4.1.8 The Sponsor shall not participate in any decision making process for any investments by the Fund.
- 4.1.9 The Sponsor may cause to effect change of the Trustee and the Asset Management Company as per procedure laid down in the Rules and subject to prior approval of the Commission, on substantiated reasonable grounds of breach of trust as enumerated in this deed by the incumbent Trustee or the Asset Management Company.
- 4.1.10 Notwithstanding anything contained in this Deed of Trust, the sponsor shall preserve the inherent right to legal recourse against the Trustee or the Asset Management Company in the event of substantiated reasonable grounds of breach of trust as enumerated in this deed by the incumbent Trustee or the Asset Management Company.

### **4.2. The Trustee**

- 4.2.1 The Investment Corporation of Bangladesh (ICB) shall be the Trustee of the Fund by virtue of this Trust Deed.
- 4.2.2 The Trustee shall be the guardian of the Fund, held in trust for the benefit of the unit holders, in accordance with the Rules and this instrument of Trust.
- 4.2.3 The Trustee shall always act in the best interest of the unit holders.
- 4.2.4 The Trustee shall take all reasonable care to ensure that the Fund floated and managed by the Asset Management Company are in accordance with the Trust Deed and the Rules.
- 4.2.5 The Trustee shall receive a quarterly report from the Asset Management Company and submit a six monthly report to the Commission on the activities of the Mutual Fund.
- 4.2.6 The Trustee shall provide or cause to provide information to the unit holders and the Commission by the Asset Management Company as per Rules or as may be specified by the Commission.
- 4.2.7 The Trustee shall cause to make such disclosures by the Asset Management Company to the investors as are essential in order to keep them informed about any information, which may have any bearing on their investments.

- 4.2.8 The Trustee shall have a right to call for books of accounts, records, documents and such other information considered necessary from the Asset Management Company as is relevant in the management of the affairs concerning the operation of the scheme.
- 4.2.9 The Trustee shall forthwith take such remedial steps as are necessary to rectify the situation where they have reasons to believe that the conduct of business of the Mutual Fund is not in conformity with the Rules and keep the Commission informed of the same with full particulars.
- 4.2.10 The Trustee shall have the power to initiate the process of annulment of the appointment of the Asset Management Company under specific events of breach of trust and investment management terms only, with the approval of the Commission and in accordance with the provisions of the Rules.
- 4.2.11 The Trustee shall furnish to the Commission, particulars of the interest that they may have in any other company, institution or financial intermediary or any body corporate by virtue of their positions as director, partner, managers or which they may be associated with in other capacities.
- 4.2.12 The Trustee, in carrying out their responsibilities as Trustee of the Mutual Fund, shall maintain arms length relationship with other companies, institutions or financial intermediaries or any body corporate with which they may be associated.
- 4.2.13 The Trustee shall not participate in any decision making process for investments of the Fund.
- 4.2.14 The Trustee shall cause to appoint an auditor for the Mutual Fund who shall be different from the auditors of the Asset Management Company and the Trustee and regularly monitor the performance and activities of the auditors.
- 4.2.15 The Trustee shall be responsible to ensure that calculation and entry of any income due to be paid to the Fund and also any income received for the holders of the units and the reports of accounts are in accordance with the Trust Deed and the Rules.
- 4.2.16 The Trustee shall call for a meeting of the unit holders whenever required to do so by the Commission in the interest of the unit holders, or on a requisition of three fourths of the unit holders of the Fund or when the Trustee decide to wind up or prematurely redeem the units or modify or extend the tenure of the scheme, in the best interest of the unit holders.
- 4.2.17 The Trustee shall be responsible for the acts of commission and omissions by its employees or the persons whose services have been obtained by the asset management company and the Trustee shall not be absolved of any civil liability to the Mutual Fund for their willful acts of commission and omissions while holding such position or office.
- 4.2.18 The Trustee, the Investment Corporation of Bangladesh (ICB), shall constitute a duly authorized Committee with a minimum of two members, which shall be responsible for discharging the obligations of the Trustee and the first such Committee shall be constituted with the following members:
- a. Mr. Mr. Md. Khurshed Hossain S/O Late Mafiz Uddin
  - b. Mr. Kazi Sanaul Hoq S/O Late Kazi Ekramul Hoq
  - c. Mr. A. T. M. Ahmedur Rahman S/O Late M. A. Quader
- 4.2.19 Any subsequent proposed change in the composition of the Committee constituted by the Trustee shall be communicated to the Commission and the Asset Management Company and such change shall take effect only on approval from the Commission.

- 4.2.20 The Trustee shall be paid an annual Trusteeship Fee of Tk 1,00,000.00 (Say taka one lac or 0.10 million) only on semi-annual in advance basis during the life of the Fund.
- 4.2.21 The Trustee shall not retire until such time a new Trustee takes over under due process as laid down in the Rules.
- 4.2.22 The Trustee shall held all capital assets of schemes of the Mutual Fund in trust on behalf of the unit holders.
- 4.2.23 The unit holders shall preserve only the beneficial interest in the trust properties pro rata basis of their ownership of the respective schemes.

#### **4.3. The Asset Management Company**

- 4.3.1 The ICB Asset Management Company Ltd. (ICB AMCL) shall be the Asset Manager of the Fund and this Deed shall constitute the basis of the Investment Management Agreement with the company as required by the provisions of the Rules.
- 4.3.2 The Asset Management Company shall be responsible for structuring, public floatation and management of schemes of the Fund approved by the trustee and the Commission and in accordance with the provisions of the Trust Deed and the Rules.
- 4.3.3 The Asset Management Company shall take initiative to facilitate electronic settlement of certificates of the fund in the CDBL.
- 4.3.4 The Asset Management Company shall take all reasonable steps and exercise all due diligence and ensure that the investment of the Fund is not contrary to the provisions of the Trust Deed and the Rules.
- 4.3.5 The Asset Management Company shall be responsible for the acts of commissions and omissions by its employees or the persons whose services have been obtained by the company and the Asset Management Company shall not be absolved of any civil liability to the Fund for their willful acts of commission and omissions while holding such position or office and no loss or damage or expenses incurred by the Asset Management Company or their officers or any person delegated by them, resulting from such commission or omission, shall be met out of the Trust property.
- 4.3.6 The Asset Management Company shall not act as trustee of any mutual fund and shall not undertake any business that may affect the interest of the Fund.
- 4.3.7 The Asset Management Company shall submit to the Trustee and the Commission quarterly activity and compliance reports on March 31, June 30, September 30 and December 31 within 15 days of the end of the quarter and at any intervals as may be required by the Trustee or the Commission.
- 4.3.8 The Asset Management Company shall ensure that no application form, or sales literature or other printed matter issued to prospective buyers, or advertisement, or report and or announcement other than an announcement of prices or yields) addressed to any prospective unit holder, or to the public, or to the press or other communications media or to any stakeholder, is issued or published with contents and statement or matter extraneous to the Trust Deed or Prospectus approved by the Commission or the Trustee, as the case may be.
- 4.3.9 The Asset Management Company shall prepare and distribute the funds' prospectus, annual and periodical reports and shall maintain all sorts of communications with investors and other stakeholders as per Rules and shall undertake advertising and other promotional activities.
- 4.3.10 The Chief Executive Officer and other officers of the Asset Management Company shall be the authorized signatories of the depository and custodial accounts of the

Fund with the banks and financial institutions, stock exchanges, central depository and other similar institutions and the transfer deed of the securities owned by the Fund.

- 4.3.11 The Asset Management Company Ltd. shall furnish such information and documents to the CDBL as may be required under the Depository Act, 1999, the Depositories Regulations, 2000 and the Depository (user) Regulations, 2003.
- 4.3.12 The Asset Management Company shall be expected to meet such expenses and make provision for office space, personnel including security analysts and portfolio managers, regulatory compliance and reporting services, accounting services and preparation of tax returns and insurance coverage and such other services.
- 4.3.13 The Asset Management Company is authorized to charge all applicable expenses of the Fund to the Fund account as per Rules, but any loss or damage or expenses resulting from negligence by the Trustee or the Asset Management Company or any of their officers or any person delegated by them shall not be met out of the trust property.
- 4.3.14 The Asset Management Company shall be paid annual management fee @ 2.50 per cent per annum of the weekly average NAV up to Tk. 5.00 crore and @ 2.00 per cent per annum for additional amount of the weekly average NAV up to Tk. 25.00 crore over Tk. 5.00 crore and @ 1.50 per cent per annum for additional amount of the weekly average NAV up to Tk 50.00 crore over Tk. 25.00 crore and @ 1.00 per cent per annum for additional amount of the weekly average NAV over Tk. 50.00 crore, accrued and payable annually.
- 4.3.15 No issue Management Fee shall be paid to the Asset Management Company for public floatation of the Fund.
- 4.3.16 A requisition meeting of two third of the unit holders of the Fund, under the procedure laid down in the Rules can propose termination of the appointment of the Asset Management Company, and the Trustee, with prior approval of the Commission, can terminate the Asset Management Company and inform the Commission the same within three working days.
- 4.3.17 Any change in the management of the Asset Management Company shall be subject to prior approval of the Commission.

#### **4.4 The Custodian**

- 4.4.1 The Investment Corporation of Bangladesh (ICB) shall be the custodian of the Fund.
- 4.4.2 The custodian shall keep liaison with the CDBL and collect and preserve those information which will be required for ascertaining the movement of demated securities of the Fund.
- 4.4.3 The custodian shall keep the securities of the Fund in safe custody and shall provide highest security for the assets of the Fund.
- 4.4.4 The custodian, among others shall preserve the following documents and information client-wise:
  - (a) Details of acquisition and disposal of securities;
  - (b) Details of receipt and disbursement of Funds;
  - (c) Details about the right of the clients on the securities held on behalf of the client;
  - (d) Details about registration of securities;
  - (e) Ledger of accounts of the client;
  - (f) Details about the order received from and given to the client;



- 4.4.5 The Fund shall pay to the Custodian a safe keeping fee @ 0.10% of balance non-dematerialized securities i.e. paper certificate calculated on the average month end value per annum.

## **5. EXPENSES OF THE FUND**

- 5.1 The initial issue expenses in respect of the scheme shall not exceed five percent of the Fund raised under the scheme.
- 5.2 The total expenses charged to the Fund, except the amortization of initial issue expenses including transaction cost in the form of stock brokerage against buy and sale of securities forming a part of acquisition or disposal cost of such securities, transaction fees payable to the Custodian against acquisition or disposal of securities, CDBL Charges, listing fees payable to the stock exchanges, the annual registration fees payable to the Commission, audit fees, cost for publication of reports & periodicals, bank charge, etc, shall not exceed four per cent of the weekly average net assets outstanding during any accounting year.

## **6. BANKERS OF THE FUND**

- 6.1 IFIC Bank Ltd/AB Bank Ltd./Dhaka Bank Ltd. shall be the Bankers of the Fund.
- 6.2 The Asset Management Company Ltd. shall be authorized to open accounts of the Fund with the Bankers mentioned herein above.
- 6.3 The Asset Management Company shall open accounts of the Fund with other banks and depositories to facilitate normal courses of business with prior written approval from the Trustee.
- 6.4 All bank(s) depository and custodial accounts of the Fund shall be operated under joint signature.
- 6.5 No director or shareholder of the Asset Management Company, except the Chief Executive Officer, shall be a signatory of any account of the Fund.
- 6.6 The Asset Management Company shall designate authorized joint signatories of all accounts of the Fund from among their Managers and officers with the consent of the Trustee.
- 6.7 A set of specimen signatures of the authorized signatories of the accounts of the Fund shall be kept with the Trustee.

## **7. AUDIT OF ACCOUNTS.**

- 7.1 The Fund shall have its accounts audited by an auditor qualified to audit the accounts of a company under section 212 of the Companies Act, 1994 (Act No. 18 of 1994).
- 7.2 The auditor of the Fund shall be different from the auditors of the Asset Management Company and that of the Trustee.
- 7.3 The auditor of the Fund must have acceptable international affiliation or association.
- 7.4 Hoda Vasi Chowdhury & Co. having office at BTMC Bhaban (8<sup>th</sup> Floor), 7-9 Kawran Bazar, Dhaka- 1215, shall be the first auditor of the Fund and they shall be paid a service fee of Tk 10,000.00 only for the first year.
- 7.5 The Trustee shall appoint auditor with reasonable fees, where the incumbent auditor shall be eligible for re-appointment.
- 7.6 The auditor shall furnish the Audit Report within maximum of 30 days from the date of closing of accounts and forward their report to the Trustee and such report shall form part of the Annual Report of the Mutual Fund.
- 7.7 The auditors report shall state that they have obtained all information and explanations which, to the best of their knowledge and belief, were necessary for the

purpose of the audit; and that the balance sheet, the revenue account and the cash flow statement give a true and fair view of the scheme, state of affairs and surplus or deficit in the Fund and cash flow for the accounting period to which they relate and that the financial statements and notes thereto furnished in due conformance with generally accepted accounting principles and procedures and also the Bangladesh Accounting Standards (BASs) and that the audit and examination made with International Standards on Auditing (ISA) accepted by ICAB and that full and fair disclosures are made in the statements.

- 7.8 Notwithstanding anything contained herein above or in any Rules, the Commission shall have the power to appoint an auditor to investigate into the books of accounts or the affairs of the Fund, Trustee or Asset Management Company or Custodian on the basis of the report of any investigating authority constituted by the Commission under the Rules. The Auditor so appointed by the Commission shall have the same powers of the inspecting authority as provided for in the Rules.

## **8. GENERAL OBLIGATION OF THE FUND.**

### **8.1 Maintenance of proper Books of Accounts and Records.**

- 8.1.1 Subject to the provisions of the Rules, the Fund shall keep and maintain proper books of records and documents; provided that books of accounts should be such as to explain its transactions and to disclose at any point of time the financial position of the Fund and in particular give a true and fair view of the state of affairs of the Fund and provided further that the Asset Management Company shall intimate the Commission the place where the books of accounts, records and documents are maintained.
- 8.1.2 The Fund shall also follow the accounting policies and standards so as to provide appropriate details disposition of the assets of the Fund at the relevant accounting date and the performance during the period together with information regarding distribution or accumulation of income accruing to the unit holder in a fair and true manner and in conformance with disclosure norms.

### **8.2. Accounting Year.**

- 8.2.1 The accounting year for the Fund shall end on June, 30 every calendar year or as determined by the Commission.

### **8.3. Classification of Earnings.**

- 8.3.1 The Fund shall, in its accounts, make a disclosure by segregating its earnings into capital gains and other incomes.

### **8.4. Limitation of Expenses.**

- 8.4.1 All expenses should be clearly identified and appropriated to the scheme.
- 8.4.2 The Asset Management Company may charge annual management fee @ 2.50 per cent per annum of the weekly average NAV up to Tk. 5.00 crore and @ 2.00 per cent per annum for additional amount of the weekly average NAV up to Tk. 25.00 crore over Tk. 5.00 crore and @ 1.50 per cent per annum for additional amount of the weekly average NAV up to Tk 50.00 crore over Tk. 25.00 crore and @ 1.00 per cent per annum for additional amount of the weekly average NAV over Tk. 50.00 crore for the scheme for investment management and advisory services fees.
- 8.4.3 In addition to the fees mentioned here-in-above, the Asset Management Company may charge the Fund with the following expenses, namely:
- a. Amortization of initial issue costs of sponsoring the Fund over a period not exceeding ten years, provided that initial issue expenses shall not exceed five per cent of the Fund raised under the scheme.
  - b. **Recurring expenses including:**

- i) Marketing and selling expenses including agents' commission, if any.
- ii) Brokerage and transaction costs.
- iii) Cost of registrar services for transfer of securities sold or redeemed.
- iv) Trusteeship fees
- v) Custodian Fees
- vi) Dematerialization Fees
- vii) Others expenses related to the Fund

## **8.5. Distribution of Dividend and limits thereof**

- 8.5.1 The Fund shall, as soon as may be, after the closing of the annual accounts, distribute by way of dividend to the holders of the units in accordance with the Rules, an amount, which shall not be less than eighty per cent of the net profits earned during the year.
- 8.5.2 The Asset Management Company shall despatch the dividend warrants at the expense of the Fund, within forty five days of the declaration of the dividend and shall submit a statement within next seven days to the Commission, the Trustee and the Custodian.

## **8.6. Reserve for Revaluation of Investments**

- 8.6.1 Before declaration of dividend, the Asset Management Company shall make a provision with agreement of the auditors for revaluation of investments caused from loss if market value of investments goes beyond the acquisition cost, and the method of calculation of this provision must be incorporated in the notes of accounts.
- 8.6.2 The Fund shall create a dividend equalization reserve by suitable appropriation from the income of the scheme.

## **8.7. Publication of Annual Report and Summary thereof**

- 8.7.1. The Annual Report of the Mutual Fund or an abridged summary thereof shall be published through an advertisement as soon as may be but not later than 45(forty five) days from the date of closure of the relevant financial year provided that the Annual Report or an abridged summary thereof shall contain details as specified in Schedule VI and VII of the Rules and such other details as are necessary for the purpose of providing a true and fair view of the operations of the Mutual Fund and provided further that, whenever the report is published in summary form such publication shall carry a note that full Annual Report shall be available for inspection at the Head Office of the Asset Management Company and if so required, a copy thereof shall be made available on payment of such nominal fees as may be specified.

## **8.8. Periodic Disclosures**

- 8.8.1 The Mutual Fund, the Sponsor, the Asset Management Company, the Trustee and Custodian of the Fund shall make such disclosures or submit such documents as per requirements of the Rules and as they may be called upon to do so by the Commission.
- 8.8.2 Without prejudice to the generality of the above, the Asset Management Company shall furnish the following periodic reports to the Commission, namely: -
  - a. Copies of the duly audited annual statements of accounts including the balance sheet, revenue account and the cash-flow statement for the Fund once a year within three months of the end of the year;
  - b. A copy of half-yearly un-audited accounts within forty-five days of the end of the period;

- c. A quarterly statement of change of net asset of the Fund within thirty days of the end of the quarter;
- d. A quarterly portfolio statement, including changes from the previous periods for the scheme within thirty days of the end of the quarter.
- e. As per Rules, the Asset Management Company shall follow the formula for computing the Net Asset Value of the Fund and shall disclose and publish the same regularly.

## **8.9. Annual Report to be forwarded to the Commission**

8.9.1 The Asset Management Company shall within ninety days from the closure of each financial year forward to the Commission a copy of the Annual Report and other information including details of investments and deposits held by the Fund so that the entire portfolio of the Mutual Fund is disclosed to the Commission.

## **8.10. Half Yearly Disclosures**

8.10.1 Un-audited half yearly accounts/financial results of the fund will be published in at least one English and another Bangla National daily newspaper(s) within thirty days from end of the period.

## **8.11. Listing of the Fund.**

8.11.1 The Fund shall be initially listed with the Dhaka Stock Exchange Limited and the Chittagong Stock Exchange Limited and may be listed with other stock exchanges in future with prior approval from the Commission.

8.11.2 An application for listing of the Fund shall be made to the stock exchange(s) immediately on receipt of the approval for the scheme from the Commission by the Asset Management Company, upon payment of applicable fees from the Fund. Application will also be made simultaneously to the CDBL for declaring the fund as eligible securities for listing as per clause 4.1.2 of the CDBL Bye Laws.

8.11.3 The Fund may be listed with any foreign stock exchange on approval from the Regulatory Authority.

## **8.12. Dematerialization of the Allotment Advice.**

8.12.1 The Fund shall apply to Central Depository Bangladesh Ltd. (CDBL) for dematerialization of the allotment advices in order to enable the investors to hold and transfer the certificates in dematerialized form in CDBL.

## **8.13. Amount to be Raised**

8.13.1 The target amount to be raised in respect of the scheme is Tk. 10,00,00,000.00 (say taka ten crore or taka one hundred million ) only, including the Sponsor's contribution and private placement, if any.

## **8.14 Refunds**

8.14.1 The Asset Management Company shall be liable to refund to the public investors the entire amount collected, if public subscription, including sponsor's contribution plus private placements, if any, fails to collect a minimum amount or sixty per cent of the targeted amount, which ever is higher under section 46 & 48 respectively of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.

8.14.2 Any amount refundable under the Rules shall forthwith, but in any case not later than thirty days from the date of the closure of the subscription list be refunded by Refund Warrant or Account Payee Non-negotiable cheque of Escrow account opened with prior approval from the Commission or pay order or bank draft sent by registered post to the public subscribers, and a statement of the refund shall be submitted to the Commission within seven days.

8.14.3 In the event of failure to refund the amounts within the period stipulated in the Rules, the Asset Management Company shall be liable to pay any compensation to the applicants as may be decided by SEC from its own account within the next month from the expiry of the aforesaid period.

#### **8.15 Allotment Advice**

8.15.1 All successful applicants will be issued allotment advice within 30 days of closing of subscription list. The allottee shall open an account with any CDBL participant to which the allotment will be credited in the Beneficiary Owner (BO) Account of the allottee in dematerialized form.

8.15.2 The CEO/Secretary and senior officers of the Asset Management Company shall sign the allotment advice of the Fund.

#### **8.16 Transfer of Unit Certificates**

8.16.1 The units of the Fund shall be freely transferable by act of parties or by operation of law. The transfer will be affected by the CDBL under electronic settlement process.

#### **8.17 Public availability of the Trust Deed**

8.17.1 This Trust Deed shall be available to wider public for collection, at a reasonable fee, and inspection during normal business hours from the office of the ICB Asset Management Company Limited at 8, DIT Avenue (15<sup>th</sup> Floor), Dhaka- 1000, Bangladesh. The trust Deed may also be viewed or downloaded from the web page of the Asset Management Company.

### **9. WINDING UP OF THE FUND**

#### **9.1 Procedure of Winding up**

9.1.1 The Mutual Fund shall be wound up on the expiry of the ten-year tenure of the Fund from the date of first listing, subject to provision of clause 3.1(e) herein above;

9.1.2 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;

9.1.3 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;

9.1.4 The Fund may also be wound up if the Commission so directs in the interest of the unit-holders;

9.1.5 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 Winding up and Redemption**

9.2.1 The Trustee shall call a meeting within thirty days from the notice date of the unit holders to consider and pass necessary resolutions by three-fourth majority of the unit holders present and voting at the meeting for authorizing the Trustee to take steps for winding up of the scheme. If it fails to have three-fourth majority mandate, the Commission shall have the power to supercede the mandate if situation demands such.

9.2.2 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.

9.2.3 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 Winding up**

- 9.3.1 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.

**10. INSPECTION OF THE MUTUAL FUND**

**10.1 Right of Inspection by the Commission**

- 10.1.1 The Commission may appoint one or more persons as inspecting authority to undertake the inspection of the books of accounts records and documents of the Mutual Fund, the Trustee, Asset Management Company and Custodian for any of the purposes specified in the Rules.

*If any confusion arises any time about explanation of any clause of this trust deed, the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ will be conclusive for this trust deed and all other documents executed in connection of this mutual fund and provisions of this trust deed will be treated to be changed in accordance with any change or amendment of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.*

**SCHEDULE OF PROPERTY OF THE TRUST**

A sum of Tk. 1,00,00,000.00 (say taka one crore ) only is hereby paid to the Trust by the Author/Sponsor of the Trust mentioned herein above, to initiate the Trust.

IN WITNESS WHEREOF the Author/Sponsor has caused its common seal to be affixed to these presents and the Trustee has hereto set its hands the day and year above written.

The party of the First Part, the AUTHOR AND SPONSOR :

ICB CAPITAL MANAGEMENT LIMITED

Represented by Mr. Md. Iftikhar-uz-zaman, Chief Executive Officer

The party of the second Part, the TRUSTEE:

INVESTMENT CORPORATION OF BANGLADESH (ICB)

Represented by Mr. Md. Wahiduzzaman Khandaker, Deputy General Manager

WITNESS:

1. Md. Abdul Hoque  
Senior Principal Officer  
ICB Asset Management Co. Ltd,  
8, DIT Avenue (15<sup>th</sup> Floor),  
Dhaka

2. Md. Mahbul-ul-Alam  
Senior Principal Officer  
ICB Asset Management Co. Ltd,  
8, DIT Avenue (15<sup>th</sup> Floor),  
Dhaka