

## ***ICB AMCL PENSION HOLDERS' UNIT FUND***

<b>HIGHLIGHTS</b>	
1	Name: ICB AMCL Pension Holders' Unit Fund.
2	Initial Size: Tk.10.00 crore dividend into 10,00,000 Units of Tk.100.00 each.
3	Nature: Open end Mutual Fund.
4	Objectives: The objectives of the Fund are to provide regular income and capital appreciation in the long run to the retired people by investing their fund both in capital and money market instruments.
5	Target Group: The retired employees of Government, Semi-Government, Autonomous Body, Sector Corporation, Nationalized Commercial Banks, Financial Institutions and Insurance Corporations who have opted either for pension scheme or gratuity scheme shall be eligible for investment in the Fund.
6	Return: The fund shall pay minimum yearly guaranteed return @ Tk.9.00 per unit for first 5 (five) years. The return will be cumulative i.e. if the guaranteed return for a particular period/ year cannot be paid due to insufficient income of the fund, it will be payable subsequently within 3 years along with the regular return. If the guaranteed return or a part thereof is not paid within 3 (three) years from the due date, the guarantor i.e. ICB shall within 30 (thirty) days make payment of the guaranteed return in full or part what ever applicable for the said period/year. There is scope for capital appreciation in long run on redemption/ repurchase of units.
7	Mode of Distribution: The return will be paid semi-annually. The first payment of return will be on 1st February 2005 and thereafter the guaranteed return will be paid on every 1 <sup>st</sup> August and 1 <sup>st</sup> February.
8	Investment limit: Under the scheme an investor can invest maximum of 10000 units and minimum of 100 units.
9	Transferability: Units are not transferable. However, nomination facility is available under the scheme.
10	Sale & Repurchase of Units: Units are sold and repurchased at NAV based prices throughout the year except Thursday and holidays. Repurchase is made at a discount of Tk. 3.00 per unit than the prevailing sale price. Instance redemption facilities are available. The sale and repurchase prices are declared on a weekly basis, giving the investors convenient entry and exit options. Investors can buy and sale units at the Head office of ICB Asset Management company Ltd., ICB and its branches and the designated bank branches.
11	Re-investment: There is a Cumulative Investment Plan wherein the investors can re-invest the income of the fund at a concessional rate of Tk. 1.00 per unit than the prevailing sale price.
12	Tax Benefit: The income is tax free to the extent of Tk. 25000.00 in the hands of the investors. However, application will be made to the National Board of Revenue for 100% waiver of tax on income. Moreover, the investors will get tax credit on investment as per Income Tax ordinance 1984.
13	Charges: There is no transaction charge.
14	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 depends on a lot of factors particularly the trends in capital market of Bangladesh.
2	Since the capital market is highly volatile, there is no assurance of achieving the stated objectives 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 well diversified portfolio as and when required to do so.
4	Due to absence of organized secondary market for debentures in Bangladesh, it would be difficult for the Fund Manager to swap between asset classes if and when required.
5	Limited money market instruments and reduction of rates / benefits narrowed the opportunity of short term or temporary investments of the Fund.
6	Present stock market trends show that price of almost all the listed securities particularly the securities with good fundamentals are increasing which may affect the development of a diversified/ balanced portfolio with low cost for the Fund. Moreover, there is no guarantee that the existing market price of shares will continue or that the price fully reflect their underlying net asset values.
7	If the listed companies fail to provide expected dividend and if the existing market price decreased, these may affect the return of the Fund.
8	Investment in Pre-IPO Placement and unlisted securities and other assets by the Fund may involve liquidity risk.
9	Uncertainties like political and social instability may affect the value of the Funds Assets.
10	Adverse natural climatic condition may hamper the performance of the Fund.

If you have any queries about this document, you may consult your bank manager, lawyer, professional accountant or other professional adviser.

## ***ICB AMCL PENSION HOLDERS' UNIT FUND***

# **P R O S P E C T U S**

**Size of Issue** : Initial Target Size Tk. 10.00 crore divided into 10,00,000 Units of Tk.100.00 each

**Initial/Opening price** : **Tk. 100.00 per Unit**

**Sponsor** : **ICB Capital Management Ltd**  
(A subsidiary of ICB)

**Investment Manager** : **ICB Asset Management Company Limited (ICBAMCL)**  
(A Subsidiary of ICB registered as a public limited company)

**Trustee & Custodian:** **Investment Corporation of Bangladesh (ICB)**

**Subscription Opens** : **18 October 2004**

Date of publication of Prospectus : 22 September 2004

**Registered Office :**

Shilpa Bank Building (15<sup>th</sup> Floor) 8, Rajuk Avenue, Dhaka, Bangladesh  
Phone : 7160303, 7160306. E-mail : ceoamcl@accesstel.net, Web page- [www.icbamcl.com.bd](http://www.icbamcl.com.bd)

## FUND PROFILE

<b>Registered Office</b>	<b>: ICB AMCL Pension Holders' Unit Fund</b> BSB Building, 8, DIT Avenue (15 <sup>th</sup> Floor) Dhaka-1000.
<b>Sponsor</b>	<b>: ICB Capital Management Ltd</b> BSB Building, 8, DIT Avenue (14 <sup>th</sup> Floor) Dhaka-1000.
<b>Trustee &amp; Custodian</b>	<b>: Investment Corporation of Bangladesh (ICB)</b> BSB Building, 8, DIT Avenue (12-15 <sup>th</sup> Floors) Dhaka-1000.
<b>Investment Manager/ Fund Manager/Asset Management Company</b>	<b>: ICB Asset Management Company Ltd.(ICB AMCL)</b> BSB Building, 8, DIT Avenue (15 <sup>th</sup> Floor) Dhaka-1000.
<b>Auditor</b>	<b>: Hoda Vasi Chowdhury &amp; Co.</b> Ispahani Building (3 <sup>rd</sup> Floor) 14-15, Motijheel C/A Dhaka-1000.
<b>Banker</b>	<b>: International Finance Investment &amp; Commerce (IFIC) Bank Ltd.</b> Motijheel Branch, Dhaka –1000.

**ABBREVIATIONS / DEFINITIONS:**

AMC	:	Asset Management Company.
BB	:	Bangladesh Bank.
Commission	:	Securities and Exchange Commission
CDBL	:	Central Depository Bangladesh Ltd.
CSE	:	Chittagong Stock Exchange Ltd.
DSE	:	Dhaka Stock Exchange Ltd.
EPS	:	Earning Per Share
ICB	:	Investment Corporation of Bangladesh
ICML	:	ICB Capital Management Ltd.
ICB AMCL	:	ICB Asset Management Company Ltd.
NAV	:	Net Asset Value
SEC	:	Securities and Exchange Commission
SLR	:	Statutory Liquidity Requirement
Unit	:	Certificate of the Fund.
Rules	:	ৱৱৱKDwi ৱৱR I G- tPÄ Kvgkb (vgDPzqvj dvÜ) ৱৱৱagvj v, 2001

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## **Chapter – 1**

### **APPROVAL OF THE FUND**

#### ***1.1 Publication of Prospectus for public offering***

ICB Asset Management Company Ltd. has received Registration Certificate from the Securities and Exchange Commission under Securities and Exchange Commission Act, 1993 and **১৯৯৩ সালের সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ অক্টোবর ১৯ আইন, ১৯৯৩** made thereunder 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 **১৯৬৯ সালের সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ অক্টোবর ১৯ আইন, ১৯৬৯**. 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 UNIT 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, CUSTODIAN AND/OR AUDITOR.

IT IS, HOWEVER, THE SECURITIES AND EXCHANGE COMMISSION’S RESPONSIBILITY TO ENSURE THAT FULL AND FAIR DISCLOSURES ARE MADE IN THE PROSPECTUS IN TERMS OF THE **১৯৬৯ সালের সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ অক্টোবর ১৯ আইন, ১৯৬৯**, SO THAT THE INVESTORS CAN MAKE INFORMED INVESTMENT DECISIONS.”

#### ***1.3 Listing of Fund***

Listing is not needed for an open-end fund, as it will not be traded on the bourses. Unit certificates will always be available for sale and re-purchase on all working days except Thursday at the head office of the Asset Management Company and designated selling agents. The Asset Management Company shall disclose weekly sale and re-purchase prices of unit as per rule.

#### ***1.4 Documents available for inspection***

- (1) Copy of this prospectus will be available with the Offices of authorized sales agents and at the head office of the ICB Asset Management Company Ltd. The prospectus will also be available at the website of the Fund Manager ([www.icbamcl.com.bd](http://www.icbamcl.com.bd)) and at the website of SEC ([www.sec bd.org](http://www.sec bd.org)).
- (2) Copy of the Trust Deed and Investment Management Agreement will be available for public inspection during business hours at the head office of the Asset Manager of the Fund. The prospectus, Trust Deed and Investment Management Agreement may also be viewed and downloaded from the website of the AMCL.



**1.5 Conditions under ঐতিহ্যবাহী আইন ১৯৬৯ (১৯৬৯) আইন, ২০০১ & Section 2CC of the Securities and Exchange Ordinance, 1969**

**PART-A**

1. The Fund shall go for Initial Public Offer (IPO) for 9.00 lac units of Taka 100/- each at par worth Taka 9.00 (nine) crore following the ঐতিহ্যবাহী আইন ১৯৬৯ (১৯৬৯) আইন, ২০০১.
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. If abridged version of the prospectus is published in the newspaper, complete prospectus shall be made available to the applicants;
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. **Subscription shall start after 25 (Twenty five) days from the date of publication of the prospectus.**
8. As per provisions contained in the ঐতিহ্যবাহী আইন ১৯৬৯ (১৯৬৯) আইন, ২০০১ regarding limitation of time on closure of subscription, the initial public subscription will remain open for forty five days or for a period up to achievement of the initial target amount; whichever is earlier;
9. The Asset Management Company shall provide SEC with the preliminary status of the subscription within one week from closure of the subscription date;
10. The IPO shall stand cancelled and the application money shall be refunded immediately if at least 60% of the targeted amount under ঐতিহ্যবাহী আইন ১৯৬৯ (১৯৬৯) আইন, ২০০১ is not subscribed;
11. Money receipt issued at the time of sale of units will be treated as allotment letter, which shall not be redeemable/transferable;

12. Unit certificates shall be issued at the cost of the Fund at par value of Tk. 100.00 each within 90 (ninety) days from the date of sale of such units;
13. The fund shall maintain separate bank account(s) to keep the sale proceeds of units and to meet up day-to-day transaction including payment against Repurchase of units. All transactions of the account shall be made through banking channel and shall be properly documented;
- 14. Unit Certificates for 1/10<sup>th</sup> of the Sponsors contribution shall be subject to a lock-in for 3 (three) years. On completion of 3 (three) years, the units may be transferred, with the approval of the SEC, to any institution eligible to be a sponsor of the fund as per Rules;**
15. A Jumbo Certificate amounting Tk. 10,00,000.00 (1/10<sup>th</sup> of 10%) will be issued in favour of the Sponsor. The said certificate shall be in the custody of Trustee. No splitting of the certificate shall be made without prior approval of the Commission;
16. The expiry date of the sponsor's locked-in portion shall be specifically mentioned on the body of the jumbo certificate;
17. The AMC shall affix a hologram on each unit certificate;
- 18. If the Fund Manager (ICB Asset Management Company Ltd.) fails to collect the minimum 60% of the targeted amount under para 48 of the Securities and Exchange Commission (SEC) Regulations, 2001, 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;**
19. The Commission allowed to commence investment activities of the fund as soon as ICB Asset Management Company Limited starts selling of units;
20. The size of the fund will be increased from time to time by the AMC subject to approval of the Trustee and with intimation to the Commission;
21. The Fund shall not be involved in option trading, short selling or carry forward transactions;
22. 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;
23. 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;
24. 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;

25. The return/dividend shall be paid semi annually. The first half yearly payment of return/dividend shall be on 1<sup>st</sup> February, 2005 and there after the guaranteed return/dividend shall be paid on every 1<sup>st</sup> August & 1<sup>st</sup> February, and a report shall be submitted to SEC, Trustee and Custodian within 7 days of return/dividend distribution;
26. 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;
27. 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.

#### **1.6 General Information**

- (i) This prospectus has been prepared by the ICB Asset Management Company Limited 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 or 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.

### ***1.7 Sale and Repurchase of Units***

Sale and Repurchase of Units of ICB AMCL PENSION HOLDERS' UNIT FUND Certificates will commence at the counter of the Head Office of ICB Asset Management Company Ltd., ICB & its Branch Offices and the designated Bank Branches at the opening of banking business hours on 18 October, 2004 and will continue until winding up of the Fund.

### ***1.8 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 document, the omission of which may make any information or statements therein misleading.

The sponsor also confirms that full and fair disclosure has 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 Manager**

This prospectus has been prepared by us based on the Trust Deed, 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 buy 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 Pension Holders' Unit 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 disclosures by the Asset Management Company to the investors as are essential in order to keep them informed about any information, which may have any bearing on their investments; and
- 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.
- vi) The Trustee further confirms that it also stands as guarantor for due payment of the guaranteed return as mentioned in the prospectus.

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 Pension Holders' Unit 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 an open ended Mutual Fund for Retired People***

The task of financial planning after retirement is a formidable one for most of the people. Every body tries to maintain the customary standard of living after retirement. Life expectancy, when one makes it to retirement at age 57, approaches 70 years, so the average retiree needs to plan for regular earnings at least for 13 years to cover comfortable standard of living and unexpected health care costs. Retirement benefits typically constitute a family's last pool of investable fund. This is the money that can be invested in many ways. The leisure that investment income can be expected to produce depends on the degree of risk the person is willing to take. With age individual lose the potential to recover from a disastrous investment performance. At the young age a person can respond to a loss by working harder and saving more of his income. But as retirement approaches, one realizes there will be less time to recovery. Hence a retiree tries to shift to safe asset.

In Bangladesh there are some money market instruments and Government savings instruments/schemes wherein the retirees generally invest their money. But in recent time, as per policy decision of the Government, some schemes have been closed. On the other hand, the rate of interest /benefit on some other schemes including the money market instruments have been reduced significantly. Therefore, there is a dearth of secured investment avenues wherein the retirees can invest their money. So, the situation demands a new avenue of investment, which may be met by launching an open end Mutual Fund exclusively for the retired people. The scheme must be trusted as well as profitable.

Keeping in view the situation, ICB Capital Management Ltd. has come forward with the proposal to act as a sponsor of the Fund. ICB itself will be the trustee and custodian of the Fund whereas ICB Asset Management Company Ltd. has agreed to act as a Manager of the 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. 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 is also indication of rate cuts of saving certificates. 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 buy 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. The bond market is still in a very nascent stage. There is a scarcity of shares and bond. 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, preferential allotment of shares, pre- IPO Placement of shares, wider participation of the institutional investors, floatation of corporate bonds, disinvestments of the governmental shares in multinational as well as national companies will be required to create a diversified/balanced portfolio for the Fund.

### **2.3 *Advantages in investing in ICB AMCL Pension Holders' Unit Fund***

Investors of this mutual fund will be able to enjoy the following advantages:

- (i) Minimum yearly guaranteed return @ Tk. 9.00 per unit for first 5 (five) years.
- (ii) Payment of return on half yearly basis.
- (iii) Scope of capital appreciation in the long run.
- (iv) As the Fund will be professionally managed under prudential guidelines, the Fund is expected to be able to maintain the minimum guaranteed return in the years to come.
- (v) Tax free income, at present, to the extent of Tk. 25000.00.
- (vi) Investment in the Fund would qualify for investment tax credit under Section 44(2) of the Income Tax Ordinance, 1984.
- (vii) 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 trustee, regulator and the investors. As a result, the investors will be able to know the performance of the Fund and accordingly the investors will be able to take convenient entry and exit options.

- (viii) As the unit is easily en-cashable on all working days, except Thursday, the investors will not face any liquidity problem.
- (ix) There is a facility to re-invest the income comparatively at a lower prices than the prevailing prices.
- (x) As there is a provision for nomination, the successor will be able to encash/possess the units without any hazards.
- (xi) As the sale proceeds of units will be invested in the diversified portfolio, there will be a minimum risk in investment.

## Chapter -3

## The Fund

### 3.1 Constitution of the Fund

The Fund has been created under the ~~ImmKdwi dJR I G- tPÄ Kugkb (vgDPžqvj dvÜ) newagvj v~~, 2001. The Fund obtained registration from Securities & Exchange Commission on 15 September 2004. The trust deed has been executed and registered on 15-07-2004 under the Trust Act 1882 and Registration Act 1908.

### 3.2 *Life of the Fund*

The Fund will be an open-end mutual fund exclusively for the retired people with a perpetual life established to provide guaranteed return to the investors and broaden the base of investment and develop the capital market.

### 3.3 Target Group

Only the retired employees of Government, Semi Government, Autonomous body, Sector Corporation, Nationalized Commercial Banks, Financial Institutions and Insurance Corporations who have opted either for pension scheme or gratuity scheme shall be eligible to invest in this Fund. The initial target size of the Fund will be Tk. 10.00 crore divided into 10,00,000 units of Tk. 100.00 each. Size of the fund will be increased from time to time by the Asset Manager subject to approval of the Trustee and with due intimation to the SEC.

### 3.4 Face Value & Denomination

Face value of each unit will be Tk. 100.00. Unit holders of the Fund shall be issued with certificates by the Asset Management Company at the cost of the Fund in any denomination of 1, 5, 10, 20, 50, 100, 250, 500, 1000, & 5000 units at par value of Tk. 100.00 each.



## ***CHAPTER - 4***

### ***INVESTMENT OBJECTIVES & POLICIES***

#### ***4.1 Investment Objectives***

The objectives of the Fund are to provide regular income and capital appreciation in the long run to the retired people by investing their fund both in capital and money market instruments

#### ***4.2 Investment Policies***

- (1) Money to be collected under the Fund shall be invested in encashable/transferable securities whether in capital market or money market, privately placed debentures, preferential shares or securitized debts and assets.
- (2) 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.
- (3) Not more than 25 % of the total assets of the fund will be invested in Fixed Income Securities (FIS).
- (4) Not more than 15 per cent of the total assets of the Fund will be invested in Pre-IPO's at one time.
- (5) All investments shall be made in the name of the Fund.
- (6) The AMC will make the investment decisions based on best judgment supported by documents and analysis where ever possible.
- (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) Physical settlement of transactions shall be executed through the custodian of the Fund.

#### ***4.3 Investment Restrictions***

In making investment decision utmost care shall be taken so that there is no concentration of investment in a particular sector or in a particular company. This is in keeping with the objective of investment diversification. In addition the following restrictions shall be taken care of :

- (i) The Fund shall not buy or hold its own unit;
- (ii) The Fund shall not invest more than 10% of its total assets in any one particular company's shares/debentures.
- (iii) The Fund shall not invest more than 15% of any company's paid-up capital.
- (iv) The Fund shall not invest more than 20% of the fund in shares, debentures or other securities of a single company or group.

- (v) The Fund shall not invest more than 25% of its total assets in shares, debentures or other securities in any one industry.
- (vi) The Fund shall not involve in option trading or short selling or carry forward transactions.
- (vii) The Fund shall not invest in or lend to another scheme under the same Asset Management Company. However, inter fund transaction can be made through stock exchanges at the prevailing market price.
- (viii) 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.
- (ix) The Fund or the AMC 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 (at least once in every 10 days) by dividing the value of the net assets of the Fund (the value of total assets less total liabilities as per Rules 60 of the *Investment Advisers Act, 2001* by the total number of units outstanding. As per rules 58 of *Investment Advisers Act, 2001*, valuation policy of investment of the Fund needs to be approved earlier by SEC. Valuation criterion 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 after providing necessary provision, if needed, to be approved by the SEC from time to time for market imperfections 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) In case of the securities 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) In case of the securities 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 value of such investment.
- (d) The valuation of non- traded securities will be made with their reasonable value by the AMC and approved by the Trustee and commented upon by the auditors in the Annual Report of the Unit 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) AMC and Trustee will value the non-listed securities at least after every three months.
- (h) 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.
- (i) In case of deferred expenses, accrued expenses for the period will be taken into account for determining total liabilities.

On the basis of the valuation criteria as set forth above, the Fund will use the following formula to derive NAV per unit.

$$\text{Total NAV} = V_A - L_T$$

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

$V_A$  = 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 + Interest receivables, net of tax + Issue expenses amortized as on date + Printing, publication and stationery expenses amortized as on date.

$L_T$  = Value of all securities payable + Payable against purchase of 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 Price fixation Policy**

After initial subscription, the sale and repurchase/surrender price of units will be determined by the Asset Management Company. NAV calculated on a date shall form the repurchase price of units by rounding up the amount and shall be effective up to next calculation of NAV of the Fund. Difference between sale and repurchase price shall primarily be Tk. 3.00, which may be changed in future, but not be over 5% of the face value of the unit.

#### **4.6 Sale & Repurchase procedures**

Units of the Fund can be purchased from the counter of the AMC, ICB Branch Offices and designated Bank branches by submitting properly filled in prescribed unit sale form along with necessary payment for the units to be purchased at the prevailing sale price. Money receipt issued at the time of sale will be treated as allotment letter. Certificate will be issued within 90 days from the date of sale.

Unit certificates can be repurchased at counter of the AMC and designated Bank branches by submitting properly filled in prescribed unit surrender form along with unit certificates to be surrendered at the prevailing surrender price. Payment will be made on the same or next day through A/C Payee cheque. The redemption will be made on first come first serve basis. In the event the redemption requests on a particular day exceed 2% of the unit outstanding, the asset manager may defer, if required, the redemption request over 2% for a maximum period of 7 (seven) days. The Asset Manager shall proceed to sell adequate assets and/or arrange loan as it deems fit to pay the surrender money within the stipulated time in the best interest of the unit holders.

#### **4.7 Suspension of Dealings**

The asset manager in consultation with the trustee may suspend both sale and redemption of units if,

- a) the stock exchange on which any investment forming part of the assets of the scheme is closed or dealings are restricted or suspended.
- b) the existence of any state of affairs as a result of which disposal of investment of the scheme would not be possible or might prejudice the interest of the investors of the scheme.
- c) any breakdown in the means of communication normally employed in determining the value of the investments or when for any reason the price of any such investment cannot be calculated accurately and promptly.
- d) the remittance of money which will or may be involved in the realization of such investment or the payment for such investments cannot be carried out.
- e) the asset manager is of the opinion that it would be detrimental to the existing unit holders to deal in or continue to deal in units at a price ascertained on the basis of the Net Asset Value.

The suspension shall take effect forthwith and shall continue until the condition of suspension exists in the opinion of the asset manager. However, redemption of units at the immediate earlier price may continue during the suspension of dealings. In case of suspension and termination of suspension, the asset manager shall immediately notify it to the Securities and Exchange Commission and shall publish the same at least in a daily wherein unit prices are normally published.

#### **4.8 Investment Management**

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

However, ICB AMCL will have discretionary authority over the Fund's Portfolio investment decisions.

#### **4.9 Income Distribution Policy**

- (1) The accounting year of the Fund shall be July 01 to June 30 and the first year-end shall be on June 30, 2005.
- (2) The Fund shall pay minimum yearly guaranteed return @ Tk. 9.00 per unit for first 5 (five) years to the Fund holders. The return will be cumulative i.e. if the guaranteed return for a particular period/year can not be paid due to insufficient income of the Fund, it will be payable subsequently within 3 years along with the regular return. If the guaranteed return or a part thereof is not paid within 3 (three) years from the due date, the guarantor i.e. ICB shall within 30 (thirty) days make payment of the guaranteed return in full or part whatever applicable for the said period/ year.
- (3) The return will be paid semi annually. The first half yearly payment of return shall be on 1<sup>st</sup> February, 2005 and there after the return shall be paid on every 1<sup>st</sup> August & 1<sup>st</sup> February.
- (4) If the return is more than the guaranteed return, the additional return will be distributed along with the half yearly guaranteed return payable on 1<sup>st</sup> August.
- (5) The investors whose name will appear in the register on 31<sup>st</sup> December and 30 June shall be eligible to receive the return to be due for payment on 1<sup>st</sup> February, and 1<sup>st</sup> August respectively.
- (6) The Fund shall create a reserve by suitable appropriation from the income of the Fund.
- (7) Before final distribution of income, the Asset Management Company shall make a provision in consultation with the auditors and the trustee 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.
- (8) Surpluses arising simply from the valuation of investments shall not be available for distribution to the unit holders.
- (9) Income warrants will be dispatched at the expense of the fund.
- (10) There shall be a Cumulative Investment Plan (CIP) scheme in this Unit Fund. Under this scheme a unit holder instead of receiving the guaranteed return may reinvest such return for purchasing Unit at a concession rate. In such case, Units will be issued at Tk. 1.00 discount from the prevailing price.

## **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 decision whether to invest or not:

- (i) The performance of the Fund depends on a lot of factors particularly the trends in capital market of Bangladesh.
- (ii) Since the capital market is highly volatile, there is no assurance of achieving the stated objectives of the Fund.
- (iii) Due to small number of listed securities in both the stock exchanges, it may be difficult to invest the Funds assets in a well diversified portfolio as and when required to do so.
- (iv) Due to absence of organized secondary market for debentures in Bangladesh, it would be difficult for the Fund Manager to swap between asset classes if and when required.
- (v) Limited money market instruments and reduction of rates / benefits narrowed the opportunity of short term or temporary investments of the Fund.
- (vi) Present stock market trends show that price of almost all the listed securities particularly the securities with good fundamentals are increasing which may affect the development of a diversified/ balanced portfolio with low cost for the Fund. Moreover, there is no guarantee that the existing market price of shares will continue or that the price fully reflect their underlying net asset values.
- (vii) If the listed companies fail to provide expected dividend and if the existing market price decreased these may affect the return of the Fund.
- (viii) Investment in Pre-IPO Placement and unlisted securities and other assets by the Fund may involve liquidity risk.
- (ix) Uncertainties like political and social instability may affect the value of the Funds Assets.
- (x) Adverse natural climatic condition may hamper the performance of the Fund.

## ***5.2 Expected Market performance of the Fund***

- (i) Image of ICB, being the holding company of the ICB Asset Management Company and the trustee of the Fund, for successful floatation and management of eight closed-end and one open-end mutual funds may motivate investors to invest in this Fund.
- (ii) Due to tax incentives and some other distinct advantages including lien, ready liquidation facilities, the fund may attract the investors for investment in unit fund.
- (iii) Due to the provision of guaranteed return and payment of this return on half yearly basis the investors may encourage to investment in this fund.
- (iv) ICB AMCL, the Asset Manager of the proposed fund has already launched one open ended Mutual Fund and one closed end Mutual Fund within a very shortest period of its establishment. Moreover, the Funds are being managed very efficiently, which may influence the investors to invest in the Fund.

### **5.3 *Determining the rate of Guaranteed Return***

ICB Asset Management Company Limited is a subsidiary of ICB. ICB is the harbinger of managing mutual funds in Bangladesh. Out of the country's 13 Mutual Funds, 11 Mutual Funds are being managed by ICB and its subsidiary. The performances of all the funds including the two new funds managed by ICB Asset Management Company Ltd. are excellent. Since inception, all the funds declared handsome dividend. The lowest dividend was 10% and the highest was 200%. The asset manager is of the opinion that like other funds, the proposed fund will also be able to declare handsome dividend to the investors in the years to come. However, as the return from the alternative investment avenues particularly from the fixed deposit and savings instruments reduced drastically, the fund manager proposed minimum guaranteed return @ Tk. 9.00 per unit, which is still higher than the present average yield from other alternative investment avenues. The fund manager is of the opinion that the investors will invest in the fund considering higher rate of return and safety of investments. The return is considered reasonable and achievable.

## **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. High caliber professional people mostly taken from ICB are managing the company. 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 & Custodian of the Fund***

The Investment Corporation of Bangladesh (ICB) itself will act as the trustee & custodian as well as guarantor 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 ten (10) 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.142.45 crore in aggregate out of total Tk.292.82 crore 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 completed on 14 October, 2001. Government issued Gazette Notification on 1<sup>st</sup> July, 2002 to carry out the Mutual Fund operations. At present, the Company is managing one open-end Mutual Fund (Net sale up to 24-06-2004 Tk. 18.91 crore) and one Closed-end Mutual Fund of Tk. 10.00 crore. Funds received over whelming response from the public at the time of public issue/ opening of sale. The closed end Mutual Fund was over subscribed by over 48% while the targeted minimum sale of units of Tk.6.00 crore was achieved within 42 days. 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 constituted.



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.

Mr. 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 Guarantor***

The payment of return is guaranteed by ICB. If the guaranteed return or a part thereof is not paid within 3 (three) years from the due date/date of declaration, the guarantor i.e. ICB shall within 30 (thirty) days make payment of the guaranteed return in full or part whatever applicable for the said period/year.

## **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 firms of the country. Subsequent auditors shall be appointed by the Trustee.

# **CHAPTER -7 FINANCIAL CHARGES**

## **7.1 Limitation of Expenses**

- (a) The initial issue expenses of the scheme shall not exceed 5% of the fund raised under the scheme and will be amortized within 7 years on a straight-line method.
- (b) The total expenses of the Fund, except the amortization of initial issue expenses in the form of brokerage against buy & sale of securities forming a part of acquisition or disposal cost of such securities, 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, 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**

- i) The Fund will pay the fees of AMC, the Trustee and the Custodian together with any other fees, commissions and expenses as may arise from time to time. The Fund will bear its own costs and expenses incurred/accrued in connection with its formation, promotion, registration, public offering together with certain other costs and expenses incurred/to be incurred in its operation, including legal & consulting service, auditing, other professional fees and expenses, brokerage, share/debenture registration expenses 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.
- ii) Keeping in mind, the initial fund size of Tk.10.00 crore, ICB Asset Management Company Ltd. has estimated the normal annual operating expenses of the Fund which will not exceed 4 per cent of the average NAV of the Fund. However, there may be variation in the actual operating expenses of the Fund. Major expenses of the Fund are detailed as follows:

### **(a) Issue and Formation Expenses**

Issue and formation expenses are estimated to be not over 5 per cent of the initial target size i.e. Tk. 50,00,000.00. The expenses will be amortized within 7 years on a straight-line method. The estimated expenses for the issue and formation of the Fund are presented below:

(b) **Management Fee**

(c) ***Trustee Fee***

(d) *Custodian Fee*

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

(f) **Audit Fee**

(g) *Dematerialization Fee*

### (h) Guarantee Fee

The Fund shall pay guarantee fee @ Tk. 50,000.00 (fifty thousand) per annum for first 5 (five) years to ICB for the guarantee issued to Fund for payment of guaranteed return if unpaid by the Fund.

## CHAPTER-8

## SIZE OF THE FUND, TAXATION & RIGHTS OF THE UNIT HOLDERS

### 8.1 Size of the Fund

The initial target size of the scheme shall be Tk. 100,000,000.00 divided into 1,000,000 units of Tk. 100.00 each which may be increased from time to time by AMCL subject to approval of the Trustee with due intimation to the Commission till liquidation of the Fund. The Fund is opened to the retired personnel of the targeted group.

## 8.2 Rights of the Unit holders

- (i) **Return:** All the unit holders have equal but proportionate right in respect of return.
- (ii) **Exemption from Tax:** The income of the fund is exempted from tax to the extent of Tk. 25000.00. Investment in the Fund by an individual assesses will qualify for investment tax credit under Section 44(2) of the Income tax Ordinance, 1984. Application will be made to the NBR for 100% waiver of tax on income.
- (iii) **Transferability:** Units are not transferable. However, nomination facility is available under the scheme.
- (iv) **Re-purchase of Units:** Unit holders may surrender their units on all working days except Thursday. Partial repurchase is also permitted. Instance redemption facilities is available.
- (v) **Initial Price:** The initial sale price of each unit of the Fund will be fixed at Tk.100.00. Repurchase price of each unit of the Fund will be fixed after achieving the initial target amount of Tk. 6.00 crore.
- (vi) **Voting Rights:** All the unit holders shall have usual voting rights. Voting right can be exercised in person or by proxy in a meeting held in connection with any proposal to amend the characteristics of the Fund or any other agenda of meeting called by the trustee in the circumstances mentioned in the trust deed or ~~the~~ **the Companies Act, 2013** (Act No. 62 of 2013). In case of show of hands, every unit holder present in person or/and by proxy shall have only one vote and on a poll, every unit holder present in person and/or by a proxy shall have one vote for every unit of which he/she is the holder.
- (vii) The unit holders shall preserve only the beneficial interest in the trust properties pro rata basis of their ownership of the respective schemes.
- (viii) **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 will be disclosed on weekly basis through DSE/CSE and newspapers.
- (ix) **Sale and Repurchase Price:** After initial subscription, the sale and repurchase/surrender price of units will be determined by the Asset Management Company. NAV calculated on a date shall form the repurchase price of units by rounding up the amount and shall be effective up to next calculation of NAV of the Fund. Difference between sale and repurchase price shall primarily be Tk. 3.00, which may be changed in future, but not be over 5% of the face value of the unit.

**Accounts and Information:** The Fund's financial year will be closed on 30<sup>th</sup> June every year and the first year-end will be June 30, 2005. Annual report or major head of Income & Expenditure A/C and Balance Sheet in line with schedule VI of the Companies Act, 1992 will be published within 45 (forty five) days from the closure of each accounting year. Furthermore, the NAV of the Fund, NAV per unit, and any suspension or alteration of the calculation of NAV of the Fund will be published / notified to the DSE and CSE by the Asset Manager as per rule.

## **CHAPTER - 9**

### **WINDING UP & REDEMPTION**

#### **9.1 Procedure of Winding up/Redemption**

- (a) If the total number of outstanding units held by the unit holders after repurchase at any point of time is less than 25% of the actual units issued, the scheme will subject to be wound up;
- (b) The Fund may also be wound up on the happening of any event, which, in the opinion of the Trustee in consultation with the Commission, requires the scheme to be wound up;
- (c) The Fund may also be wound up if the Commission so directs in the interest of the unit-holders;
- (d) The Fund may also be wound up if 75% of the unit holders of the scheme pass a resolution that the Fund should be wound up;
- (e) Where the Fund is to be wound up in pursuance of 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 Fund is established.

#### **9.2 Manner of Winding up/Redemption**

- (a) The Trustee shall call a meeting 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.
- (b) 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.

- (c) 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/Redemption**

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 APPLICATION & ALLOTMENT**

### **10.1 Condition of Application**

- (a) Units will be sold initially through registered office of ICB Asset Management Company Limited and all Branch Offices of Investment Corporation of Bangladesh (ICB) on all working days except Thursday. The acceptance of any application shall be delayed until the realization of any cheque enclosed with it. As the clearance of cheques drawn on banks in towns other than that of the Issuing Office may take a long time, the applicants are advised to deposit a bank draft or a pay order in support of the application.
- (b) Application for units shall be made for minimum of 100 (one hundred) units and maximum of 10,000 (ten thousand) units.
- (c) Application should preferably be made on the prescribed printed forms. Application Form may be obtained from the registered office of the ICB AMCL, and other authorized offices. The prospectus will be available at the issuing offices mentioned above. The application form and prospectus may also be downloaded from the web page.
- (d) Joint application is not acceptable.
- (e) Application must contain full name and address of the applicant and the nominees. Minor can also be a nominee.
- (f) All completed application forms together with the value of units to be purchased shall be lodged by the investors, with any of the Issuing Offices.
- (g) Foreign nationals are not eligible to apply. However, the NRBs of the targeted groups are eligible to apply.

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

**ICB AMCL PENSION HOLDERS UNIT FUND**

# APPLICATION FORM TO PURCHASE UNITS

## UNIT-KA

**READ TERMS & CONDITIONS ON REVERSE**

**To**

(Issuing Office Stamp)

**To be filled in by Issuing office**

Sale Day  
(Date of Issue)

Registration No.

Sale Number

Certificate  
Number (s)

Signature of the Officers

(Please write clearly and delete words not applicable)

Dated .....

I enclose Taka \_\_\_\_\_ \*Cash/Cheque/P.O./D.D. No. \_\_\_\_\_ Bank  
\_\_\_\_\_ Branch \_\_\_\_\_ and request you to sell me \_\_\_\_\_. Units of ICB AMCL  
Pension Holders Unit Fund at the price of Tk. \_\_\_\_\_ per unit (Face value/ prevailing on the Sale Date) .  
I already hold/do not hold \_\_\_\_\_ Units and my Registration Number is \_\_\_\_\_. I  
am not minor.

All payments in connection with or arising out of the Units hereby applied for shall be payable in Bangladeshi Taka only including income distribution and/or repurchase price. I do hereby undertake that I and my heirs will not at any time or in any shape claim repatriation from Bangladesh of sale proceeds of these Units and income accrued thereon. I the undersigned do also hereby declare that the money which is being invested for the Purchase of ICB AMCL Pension Holders Unit certificate is earned from pension/gratuity scheme.

**(BLOCK LETTERS PLEASE)**

## Holder

1 Signature: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Father's/Mother's/Husband's Name: \_\_\_\_\_

\*\*Occupation\_\_\_\_\_

Nationality \_\_\_\_\_

Address\_\_\_\_\_

**Nominee (s) (if any)**

1 Signature: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Father's/Mother's/Husband's Name: \_\_\_\_\_

Relationship with the Holder: \_\_\_\_\_  
 \*\*Occupation \_\_\_\_\_  
 Nationality \_\_\_\_\_  
 Address \_\_\_\_\_

2 \_\_\_\_\_  
 Signature: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Father's/Mother's/Husband's Name: \_\_\_\_\_  
 \_\_\_\_\_  
 Relationship with the Holder: \_\_\_\_\_

\*\*Occupation \_\_\_\_\_  
 Nationality \_\_\_\_\_  
 Address \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Specimen Signature of Holder

Nominee (s)

1. \_\_\_\_\_ 1. \_\_\_\_\_ 2. \_\_\_\_\_

**To be filled in by issuing office**

Date of Issue

Number  
of Units

Certificate  
Number(s)

Sale  
Number

Registration Number

**Stamp & Signature  
(Issuing Office)**

**TERMS & CONDITIONS**

1. Units will be sold through ICB AMCL Head Office, Authorized Bank Branches including ICB Branches on all working days except Thursday. The acceptance of any application shall be delayed until the realization of any cheque enclosed with it. As the clearance of cheques drawn on banks in towns other than that of the Issuing Office may take a long time, the applicants are advised to sent a bank draft or a pay order.
2. Cheques, pay orders and bank drafts should be crossed and made payable to the Issuing Office concerned A/C. ICB AMCL Pension Holders Unit Fund.
3. Upon registration of a sale, Unit-holders will be issued with Unit Certificates. The certificates are available in denominations of 1,5,10,50,100, 250, 500, 1000 & 5000 Units. The fewest possible number of Certificates will be issued against each application.
4. Units will be registered in the name of the applicant. In case of death of the holder, only the nominee(s) shall be entitled to receive the encashable amount and benefits.

**SPECIAL INSTRUCTIONS :**

6. If the return is to be collected through a Bank, please provide the Bank address and  
 Account No ..... Bank ..... Br.....

Address:.....  
 .....

7. Purchase of Units under Cumulative Investment Plan (CIP) in lieu of Cash dividend

Yes	No
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8. Classifications of the retired people are given below :-

- a. Civilian Govt.
- b. Defence Personnel
- c. Semi Govt. Servants.
- d. Autonomous Body
- e. Sector Corporation
- f. Banks
- g. Financial Institutions
- h. Insurance Corporations.

Signature

\_\_\_\_\_

Received Certificates for \_\_\_\_\_ Units  
as mentioned overleaf

(Applicant/Authorised Agent)

**\* Purchasers sending Application by post should leave this space blank for completion by the issuing Office on Sale Day subject to refund of unadjusted portion of the remittance.**

## **AUTHORISED SALES AGENTS**

### **Investment Corporation of Bangladesh (ICB)**

Local Office, Dhaka.

Chittagong Branch, Ctg.

Rajshahi Branch, Rajshahi

Bogra Branch, Bogra

Khulna Branch, Khulna

Barisal Branch,

Barisal

Sylhet Branch, Sylhet