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# **PROSPECTUS**

## **Fifth ICB Unit Fund**

### **Size of Issue**

**Initial Size Tk. 46,00,00,000.00 (Forty six crore) of 4,60,00,000 (Four Crore Sixty lac) Units of Tk. 10.00 (ten) each**

### **Initial/Opening Price**

**Tk. 10.00 (ten) per Unit**

### **Sponsor**

**Investment Corporation of Bangladesh**

### **Asset Manager**

#### **ICB Asset Management Company Limited**

**(A Subsidiary of ICB, registered as a public limited company under the -LjÇfjçø BCe, 1994)**

### **Trustee & Custodian**

**Investment Corporation of Bangladesh**

### **Subscription Opens**

**15 May 2016**

### **Registered Office**

**Green City Edge (4<sup>th</sup> Floor), 89, Kakrail, Dhaka- 1000, Bangladesh.**

**Phone: 880-02-8300412; Fax: 880-02-8300416**

**E-mail: info@icbamcl.com.bd; Website: www.icbamcl.com.bd**

### **Date of publication of Prospectus**

**10 May 2016**

The investors are advised, in their own interest, to carefully read the contents of the Prospectus, in particular the Risk Factors in Clause 5.1 before making any investment decision.

## FUND PROFILE

Registered Office	:	<b>ICB Asset Management Company Limited</b> Green City Edge (4 <sup>th</sup> Floor), 89, Kakrail, Dhaka- 1000, Bangladesh.
Sponsor/ Initiator	:	<b>Investment Corporation of Bangladesh</b> BDBL Bhaban (Level 14-17) 8 RAJUK Avenue, Dhaka-1000
Trustee	:	<b>Investment Corporation of Bangladesh</b> BDBL Bhaban (Level 14-17) 8 RAJUK Avenue, Dhaka-1000.
Custodian	:	<b>Investment Corporation of Bangladesh</b> BDBL Bhaban (Level 14-17) 8 RAJUK Avenue, Dhaka-1000.
Asset Manager/ Fund Manager	:	<b>ICB Asset Management Company Limited</b> Green City Edge (4 <sup>th</sup> Floor), 89, Kakrail, Dhaka- 1000, Bangladesh.
Auditor	:	<b>Ahmed Zaker &amp; Co.</b> 45, Shaheed Syed Nazrul Islam Sarini Bijoynagar, Dhaka-1000.
Banker	:	<b>IFIC Bank Limited</b> Motijheel Branch 125/A Motijheel, Dhaka- 1000.
Selling Agents	:	

Name of the Selling Agent	Branch Name	Branch Location	Branch Phone No.
<b>Investment Corporation of Bangladesh</b>	Chittagong Br.	Delwar Bhaban (3 <sup>rd</sup> Floor) 104, Agrabad C/A, Chittagong.	Tel: (031) 727064, 714851
	Rajshahi Br.	Dr. Gaffar Plaza (2 <sup>nd</sup> Floor), Main Road, Shaheb Bazar, Rajshahi.	Tel: (0721) 775402, 774661
	Khulna Br.	BDBL Bhaban 25-26, K.D.A. C/A, Khulna.	Tel: (041) 721689, 722984
	Bogra Br.	Afsar Ali Complex, Rajabazar Road, Baragola, Bogra.	Tel: (051) 66940, 66860
	Barisal Br.	87-88, Hemayet Uddin Road Barisal.	Tel: (0431) 64404
	Sylhet Br.	Ananda Tower & Shopping Complex (2 <sup>nd</sup> Floor) Jail Road, Sylhet.	Tel: (0821) 714703
	Local Office	Kashfia Plaza, 35/C, Nayapaltan, VIP Road, Dhaka- 1000.	Tel: (02) 9343288, 8360815

The Asset Manager may appoint and cancel Selling Agents in future subject to approval of the Trustee and with due intimation to the BSEC.

## Definition and Elaboration of the abbreviated words and definitions used in the Prospectus

ধরদর্শন / Rules	:	ধরদর্শন (ধরদর্শন গঠন) ধরদর্শন, 2001
Act	:	ধরদর্শন (ধরদর্শন) ধরদর্শন, 1993
Allotment	:	Letter of Allotment for units
Asset Manager/AMC	:	The Asset Management Company (AMC) refers to "ICB Asset Management Company Limited (ICB AMCL)", a subsidiary of ICB incorporated as a public limited company with the Registrar of Joint Stock Companies and Firms.
Book Closer	:	Sale and repurchase of unit certificates issued by Asset Management Company shall remain closed during the month of January unless the Commission decides otherwise.
BDT	:	Bangladeshi Taka
BO A/C	:	Beneficiary Owner Account or Depository Account
CDBL	:	Central Depository Bangladesh Limited
MD & CEO	:	Managing Director and Chief Executive Officer
Certificate	:	Unit Certificate of the Fund
CIP	:	Cumulative Investment Plan
Commission	:	Bangladesh Securities and Exchange Commission
Companies Act	:	-ধরদর্শন, 1994
CSE	:	Chittagong Stock Exchange Limited
Custodian	:	Investment Corporation of Bangladesh
DSE	:	Dhaka Stock Exchange Limited
EPS	:	Earning Per Share
Effective Date	:	Immediate next working day of the trade suspension date of Fifth ICB Unit Fund (close-end) where the Trustee of the Fund shall take control over the Fund as per the Guidelines of BSEC.
FC Account	:	Foreign Currency Account
FI	:	Financial Institution
FIS	:	Fixed Income Securities
Government	:	The Government of the People's Republic of Bangladesh
Guardian	:	The Trustee of the Fund
ICB	:	Investment Corporation of Bangladesh
IPO	:	Initial Public Offering
IDRA	:	Insurance Development & Regulatory Authority Bangladesh
Issue	:	Public Issue
NBFI	:	Non-Banking Financial Institution
NBR	:	National Board of Revenue
Net Assets	:	The excess of assets over liabilities of the Fund, computed in the manner specified hereunder
Net Asset Value	:	Per unit value of the Fund arrived at by dividing the net assets by the number of unit outstanding of the Fund.
NRB	:	Non-Resident Bangladeshi (NRB) means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they have a valid Bangladeshi passport) or those, whose foreign passport bear a stamp from the concerned Bangladesh Embassy/High Commission to the effect that no visa is required to travel to Bangladesh.
Offering Price	:	Price of the Securities of the Fund being offered

Prospectus	:	The advertisements or other documents (approved by the BSEC), which contain the investment and all other information in respect of the mutual fund, as required by the $\phi h\phi djm_i$ and is circulated to invite the public to invest in the mutual fund.
RJSC	:	Registrar of Joint Stock Companies & Firms
BSEC	:	Bangladesh Securities and Exchange Commission
Securities	:	Units of the Fund
Sponsor	:	as for converted fund the provision of new sponsor is not required; henceforth the "Investment Corporation of Bangladesh (ICB)" the early promoter & initiator of this fund may also play the role of sponsor albeit without having any subscription.
STD A/C	:	Short Term Deposit Account
Subscription	:	Application Money
The Fund / Unit Fund	:	Fifth ICB Unit Fund
The Scheme	:	Fifth ICB Unit Fund
Trustee	:	Investment Corporation of Bangladesh
Unit	:	One undivided share in the Fund

<b>FUND HIGHLIGHTS</b>		
01.	<b>Name</b>	<b>Fifth ICB Unit Fund</b>
02.	<b>Nature</b>	Open-end Growth mutual fund
03.	<b>Life and Size of the Fund</b>	Perpetual Life with unlimited size
04.	<b>Sponsor</b>	Investment Corporation of Bangladesh
05.	<b>Trustee</b>	Investment Corporation of Bangladesh
06.	<b>Custodian</b>	Investment Corporation of Bangladesh
07.	<b>Asset Manager</b>	ICB Asset Management Company Limited
08.	<b>Initial Size of the Fund</b>	Tk.46,00,00,000.00 (Forty Six crore) divided into 4,60,00,000 (Four crore Sixty lac) units at par value of Tk. 10.00 (ten) each.
09.	<b>Face Value</b>	Tk. 10.00 (ten) per unit
10.	<b>Minimum Application Amount</b>	100 (hundred) unit
11.	<b>Objective</b>	The objective of the Fund is to provide attractive dividend to the unit holders by investing the proceeds in the capital market and money market.
12.	<b>Prospective Investors</b>	Individuals, institutions, Non-resident Bangladeshi (NRB), mutual funds and collective investment schemes are eligible to invest in this Fund.
13.	<b>Sale / Surrender / Transfer of Units</b>	Over the Counter (OTC) of the Asset Manager and designated Selling Agent's Branch Offices.
14.	<b>Dividend Policy</b>	<p>The Fund shall as soon as may be, after the closing of the annual accounts, declare and distribute dividend if any, to the unit holders in accordance with the চৰ্চাৰ্জি. Being a "Growth Scheme" in nature, the Fund shall distribute at least <b>50 (fifty)</b> percent of the total net profit earned in the respective year or as determined by the Commission from time to time.</p> <p>The Fund shall create a dividend equalization reserve fund by suitable appropriation from the income of the Fund to ensure consistency in dividend.</p>
15.	<b>Mode of Distribution of Dividend</b>	The dividend warrant shall be distributed within 45 (forty five) days from the date of declaration.
16.	<b>Transferability</b>	The unit certificates of the Fund shall be freely transferable by way of inheritance/gift and/or by specific operation of the law.
17.	<b>Encashment</b>	The unit holders can surrender their unit certificates during the business hour as specified by the Asset Management Company or through selling agent. The Asset Management Company or selling agent shall be liable to re-purchase the units on behalf of the Fund.
18.	<b>Tax Benefit</b>	<p>Income shall be tax free up to certain level, which is permitted as per Finance Act.</p> <p>Investment in the Fund would qualify for investment tax credit under section 44(2) of the Income Tax Ordinance 1984.</p>
19.	<b>Report &amp; Accounts</b>	Every unit holder is entitled to receive Annual Report together with the yearly and half-yearly statements of accounts as and when published.

<b>RISK FACTORS</b>	
01.	The performance of the Fund is directly related with the macro economic situation particularly the capital market of Bangladesh.
02.	Since the capital market of Bangladesh is highly volatile, there is no assurance of achieving the stated objective of the Fund.
03.	Due to small number of listed securities in both the Stock Exchange(s), it may be difficult to invest the Fund's assets in a widely diversified portfolio as and when required to do so.
04.	Stock market trend shows that prices of almost all the listed securities move in unpredictable direction, which may affect the value of the Fund. Moreover, there is no guarantee that the market price of unit of the Fund shall fully reflect their underlying net asset values.
05.	If the companies wherein the Fund shall be invested fail to pay expected dividend may affect the return of the Fund.
06.	For investing in Pre-IPO Placement securities i.e. in unlisted securities by the Fund may involve liquidity risk.
07.	Uncertainties like political and social instability may affect the value of the Fund's assets.
08.	Adverse natural climatic condition may hamper the performance of the Fund.

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# CHAPTER -1

## PRELIMINARY

### 1.1 Publication of Prospectus for public offering

ICB Asset Management Company Limited (ICB AMCL) has received Registration Certificate from the Bangladesh Securities and Exchange Commission (BSEC) under the *ঢ়পঢ়ল঑ঢ়লVS J H,-Q* লঢ়jne BCe, 1993 and the *ঢ়পঢ়ল঑ঢ়লVS J H,-Q* লঢ়jne (ঢ়jEQঐ঑ুim gjä) *ঢ়hঢ়djimj*, 2001 made there under and also received consent 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 Consent of the Bangladesh Securities and Exchange Commission (BSEC)

“APPROVAL OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THE FUND UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969 AND THE *ঢ়পঢ়ল঑ঢ়লVS J H,-Q* লঢ়jne (ঢ়jEQঐ঑ুim gjä) *ঢ়hঢ়djimj*, 2001. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS APPROVAL THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE FUND, ANY OF ITS SCHEMES OR THE ISSUE PRICE OF ITS UNITS OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ASSET MANAGER, TRUSTEE, SPONSOR AND/OR CUSTODIAN.”

### 1.3 Listing of Fund

Listing is not needed for an open-end mutual fund, as it shall not be traded on the bourses. Unit certificates shall always be available for sale and surrender/re-purchase on all working days except Thursday and during book closure period of the Fund at the head office of the ICB AMCL and designated Selling Agents. The ICB AMCL shall disclose weekly sale and surrender/re-purchase prices of units as per the *ঢ়hঢ়djimj*.

### 1.4 Documents available for inspection

- (01) Copy of this Prospectus shall be available with the Offices of authorized Selling Agents and at the head office of the ICB AMCL and also available at the website of Bangladesh Securities and Exchange Commission ([www.secbd.org](http://www.secbd.org)) and ICB Asset Management Company Limited ([www.icbamcl.com.bd](http://www.icbamcl.com.bd)).
- (02) Copy of the Trust Deed, the Investment Management Agreement and the Prospectus may be inspected during the business hours at the head office of the Asset Management Company of the Fund during the period **10 (ten) days** from the publication date of this prospectus.

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

- (01) The Fund shall not account for any upward revaluation of its assets creating reserve without clearance from the Bangladesh Securities and Exchange Commission;
- (02) The Fund shall not be involved in option trading, short selling or carry forward transactions;
- (03) A confirmation of Unit allocation i.e. letter of entitlement shall be issued at the cost of the Fund at par value of Tk. 10.00 (ten) each preferably within 10 (ten) days of prospectus approval and issue unit certificate to the unit holders within 90 (ninety) days from the date of commencement of the converted Fund;
- (04) Money receipt/acknowledgement slip issued at the time of sale of units will be treated as allotment letter, which shall not be redeemable/ transferable;
- (05) The annual report of the Fund /or its abridged version will be published within 45 (forty five) days of the closure of each accounting year of the Fund;
- (06) 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;
- (07) Half-yearly accounts/financial results of the Fund will be published in at least one English and another Bangla National daily newspapers within 30 (thirty) days from end of the period;
- (08) Dividend shall be paid within 45 (forty five) days of its declaration and a report shall be submitted to BSEC, Trustee and Custodian within 7 (seven) days of dividend distribution;
- (09) Net Asset Value (NAV) of the Fund shall be calculated and disclosed publicly at least once a week;
- (10) After conversion of the Scheme, the sale and repurchase/surrender price of units will be determined by the Asset Management Company. NAV calculated on a date shall form the sale price of units by rounding up the amount and shall be effective up to next calculation of NAV of the Fund. Difference between sale and repurchase price shall primarily be Tk. 0.30, which may be changed in future, but not be over 5% of the sale price per unit. The sale price per unit shall not be over the NAV@ market price per unit;
- (11) BSEC may appoint auditors for special audit/investigation on the affairs of the Fund, if it so desires;
- (12) 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;
- (13) The approved prospectus shall be available at the head office of AMC, Custodian and Trustee of the Fund and the sales offices of the Fund;
- (14) Approved prospectus shall be made available to the applicants through website of AMC;

- (15) Immediate to transfer of the Trust Property the AMC is allowed to commence investment activities of the Fund with permission of the Trustee;
- (16) Sell/repurchase of the unit of the Fund shall commence after disclosure of first NAV of the Fund as per the  $\phi h\phi djim$ ;
- (17) 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;
- (18) Under the conversion, the legal requirement of minimum subscription of the sponsor of the scheme as per rules exempted; however, the existing unit holders shall be treated as Initial Subscribers. In this case Investment Corporation of Bangladesh (ICB) the early promoter and initiator of this fund may also play the role of Sponsor without having any subscription;
- (19) Existing unit holders will get 30.461 units of Face value of Tk. 10.00 (ten) for the new Fund against the NAV @ TK 304.61 per unit of the previous Fund.
- (20) Details of the issue and formation expenses disclosed in the prospectus shall submit to the Commission along with supporting documents vetted by trustee within 15 (fifteen) days of the commencement of converted Fund.
- (21) All the publications related to prospectus and all other published documents/notices regarding the Unit Fund shall be submitted to the Commission within 24 hours of publication thereof;
- (22) The Asset Management Company shall submit 10 (ten) copies of printed prospectus to the Commission for official record within 7 (seven) days of prospectus approval;
- (23) The Asset Management Company shall ensure in writing to the Commission that the prospectus is published correctly and is a verbatim copy of the prospectus vetted by the Commission;
- (24) The AMC shall submit to the Commission a diskette containing the vetted prospectus;
- (25) The Securities under Fifth ICB Mutual Fund kept in the custodian account shall be kept under Fifth ICB Unit Fund;
- (26) All conditions imposed under Section 2CC of the Securities and Exchange Ordinance, 1969 must be complied with and be incorporated in the body of the prospectus.
- (27) Details statements of quarterly status of portfolio and other assets shall be published in Fund manager website within one month of the end of the quarter.

## **1.6 General Information**

- (01) This Prospectus has been prepared by ICB AMCL based on the Trust Deed executed between the Trustee and the Sponsor/Initiator 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 are no other material facts, the Commission of which, would make any statement herein misleading.

- (02) No person is authorized to give any information to make any representation not contained in this Prospectus and if given or made, any such information or representation must not be relied upon as having been authorized by the ICB AMCL.
- (03) 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 Re-purchase of Units**

Sale and Re-purchase of Units of Fifth ICB Unit Fund Certificates shall commence at the counter of registered office of ICB AMCL and designated Selling Agents Branch Offices at the opening of banking business hours on **15 May 2016** and shall continue until winding up of the Fund except book closer period as per Rules.

### **1.8 Declarations**

#### **Declarations about the responsibility of the Sponsor (Initiator)**

The Sponsor, whose name appears in this Prospectus, accepts full responsibility for his institution's contribution / portion 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 offer and all the information contained in this document, drawn up by virtue of the Trust Deed of the Fund by the entrusted Asset Management Company, have been met and there is no other information or documents, the omission of which may make any information or statements therein misleading.

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

Sd/-  
**(Md. Iftikhar-uz-zaman)**  
Managing Director  
Investment Corporation of Bangladesh

## **Declaration about the responsibility of the Asset Management Company**

This Prospectus has been prepared by us based on the Trust Deed, the Investment Management Agreement, the ষ্ৰ্ৰLEষ্ৰVS J H,-Q” Lষ্ৰne (ষ্ৰEQষ্ৰÉuষ্ৰm gষ্ৰä) ষ্ৰhষ্ৰdjষ্ৰmষ্ৰ, 2001 and other related agreements and examination of other documents as relevant for adequate disclosure of the Fund’s objectives and investment strategies to the investors. We also confirm that:

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

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

Sd/-  
**(Md. Nazrul Islam Khan)**  
Chief Executive Officer  
**ICB Asset Management Company Limited**

## **Declaration about the responsibility of the Trustee**

We, as Trustee of Fifth ICB Unit Fund, accept the responsibility and confirm that we shall:

- (a) Be the guardian of the Fund, held in trust for the benefit of the unit holders in accordance with the Trust Deed and the ষ্ৰ্ৰLEষ্ৰVS J H,-Q” Lষ্ৰne (ষ্ৰEQষ্ৰÉuষ্ৰm gষ্ৰä) ষ্ৰhষ্ৰdjষ্ৰmষ্ৰ, 2001;
- (b) Always act in the interest of the unit holders;
- (c) Take all reasonable care to ensure that the Fund floated and managed by the Asset Management Company are in accordance with the Trust Deed and the ষ্ৰhষ্ৰdjষ্ৰmষ্ৰ;
- (d) 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
- (e) Take such remedial steps as are necessary to rectify the situation where they have reason to believe that the conduct of business of the Fund is not in conformity with the relevant Rules.

Sd/-  
**(Mohammed Shahjahan)**  
Deputy General Manager  
**Investment Corporation of Bangladesh**

## **Declaration about the responsibility of the Custodian**

We, as Custodian of the Fifth ICB Unit Fund, accept the responsibility and confirm that we shall:

- (a) Keep all the securities and assets in safe custody and shall provide the highest security for the assets of the Fund; and
- (b) Preserve necessary documents and record so as to ascertain movement of assets of the Fund as per the *শেখ মুজিবুর রহমান আইন, ২০০১* (SHEKH MURSHIDUZZAMAN ACT, 2001).

Sd/-  
**(Mohammed Shahjahan)**  
Deputy General Manager  
**Investment Corporation of Bangladesh**

## CHAPTER -2

### BACKGROUND

#### 2.1 Background of conversion into open-end Scheme from close-end Mutual Fund

To encourage industrialization of the country including infrastructure development by arranging equity support, ICB formed a close-end mutual fund on 30 June 1987 named “Fifth ICB Mutual Fund”. The size of the Fund was at Tk.1,50,00,000.00 (One crore Fifty Lac) divided into 15,00,000 units of Tk. 10.00 (ten) each. Trading of the fund has been closed from the bourses on 29 February, 2016 as per the চহৃদজম্। The dividend performance of the fund shows in table below:

FY	Dividend (%per unit)
1987-88	20.00
1988-89	20.50
1989-90	20.50
1990-91	10.00
1991-92	11.00
1992-93	12.00
1993-94	25.00
1994-95	28.00
1995-96	30.00
1996-97	35.00
1997-98	22.00
1998-99	20.00
1999-00	21.00
2000-01	23.00
2001-02	24.00

FY	Dividend (%per unit)
2002-03	24.00
2003-04	24.00
2004-05	27.00
2005-06	27.00
2006-07	33.00
2007-08	45.00
2008-09	56.00
2009-10	100.00
2010-11	135.00
2011-12	170.00
2012-13	200.00
2013-14	225.00
2014-15	250.00
<b>Total</b>	<b>1638.00</b>

Bangladesh Securities and Exchange Commission has approved the conversion of Fifth ICB Unit Fund as an open-end Scheme from close-end nature following চহৃদ 50N of the চহৃদজম্ and also the terms of the Guidelines of BSEC as per the overwhelming response of the unit holders. It may be mentioned here that **100.00** percent of the present unit holders (According to their holding of total number of units) of the Fund pass a resolution for conversion of the Fund into open-end Scheme in the special meeting held on 09 March 2016 at Fars Hotels & Resorts Limited, 212 Bijoy Nogor, Shaheed Syed Nazrul Islam Sarani, Dhaka-1000. Existing unit holders’ of the said Fund shall be entitled to get open-end unit certificates @ Net asset value (NAV) of TK.304.61 (i.e. 30.461 no. of units for existing 1 no. of unit) that the valuation is audited by third party Ahmed Zaker & Co., approved by BSEC. It may be mentioned here that for Statutory auditor of accounts of Fifth ICB Mutual Fund, Rahman Mostafa Alam & Co., Chartered Accounts have been appointed as the Auditors as the lowest bidders with proposal of honorable unit holder Mr. Farid Ahmed (B.O No. 1201980002639753) and supported by Samima Akter (B.O No. 1605420047020574) which was also supported by other unit holders.

Out of the total 55 (fifty five) mutual funds, ICB and its Subsidiary have so far floated 24 (twenty four) mutual funds in the Market. Among these 24 (twenty four) mutual fund, the ICB AMCL has managed 17 (seventeen) mutual funds of which are given below:

<b>Name of the Conventional Mutual Funds</b>	<b>Name of the Sponsor/Initiator</b>	<b>Nature</b>
Prime Finance First Mutual Fund	Prime Finance and Investment Limited	Close-end
ICB AMCL Second Mutual Fund	ICB Capital Management Limited	Close-end
ICB Employees Provident Mutual Fund One: Scheme One	ICB Employees Provident Fund	Close-end
Prime Bank 1 <sup>st</sup> ICB AMCL Mutual Fund	Prime Bank Limited	Close-end
Phoenix Finance 1 <sup>st</sup> Mutual Fund	Phoenix Finance & Investment Limited	Close-end
ICB AMCL Sonali Bank Limited 1 <sup>st</sup> Mutual Fund	Sonali Bank Limited	Close-end
ICB AMCL Unit Fund	ICB Capital Management Limited	Open-end
ICB AMCL Converted First Unit Fund*	ICB Capital Management Limited	Open-end
<b>Name of the Non-Conventional Mutual Funds</b>		
ICB AMCL First NRB Mutual Fund	ICB Capital Management Limited	Close-end
ICB AMCL Second NRB Mutual Fund	ICB Capital Management Limited	Close-end
ICB AMCL Third NRB Mutual Fund	ICB Capital Management Limited	Close-end
IFIL Islamic Mutual Fund-1	Islamic Finance & Investment Limited	Close-end
ICB AMCL Pension Holders' Unit Fund	ICB Capital Management Limited	Open-end
Bangladesh Fund	Investment Corporation of Bangladesh Sonali Bank Limited Janata Bank Limited Agrani Bank Limited Rupali Bank Limited Bangladesh Development Bank Limited Sadharan Bima Corporation Jiban Bima Corporation	Open-end
ICB AMCL Islamic Unit Fund*	ICB Capital Management Limited	Open-end
First ICB Unit Fund*	Investment Corporation of Bangladesh	Open-end
Second ICB Unit Fund*	Investment Corporation of Bangladesh	Open-end

**Note:** \* Converted from Close-end Mutual Fund.

Mutual Funds contribution is bigger than other securities in developed countries. The contribution of the existing mutual funds in terms of the local stock market capitalization is around 2%, which is more than 30% in many developed countries. Keeping in view the situation, Investment Corporation of Bangladesh (ICB), the Sponsor of the aforesaid close-end Fund, has agreed to be the Sponsor/Initiator of the converted open-end mutual fund namely Fifth ICB Unit Fund on behalf of initial subscribers to fulfill the market demand.

## **2.2 Present condition of the capital market regarding conversion of the Fund**

In Bangladesh, the major stock market indicators improved as investors injected more money into securities. The Dhaka Stock Exchange (DSE) broad index grew by 28.9% in September 2014 over September 2013, reaching 5,074.3 points. The market price–earnings ratio rose to 18.6 in September 2014 from 14.4 in September 2013, reflecting some price recovery in the market. Since January 2014, 14 new companies have been listed on the DSE. The DSE market capitalization rose by 33.4% in September 2014 over September 2013. Net foreign portfolio investment declined to \$69.0 million in July–August 2014, from \$113.0 million in July–August 2013.



The Chittagong Stock Exchange (CSE) selected categories index largely followed the trends of the DSE broad index. In September 2014, the CSE index rose by 23.3% over September 2013, and CSE market capitalization rose by 41.5% during the same period.

Several factors contributed to the recent rise in stock market indicators. Reforms such as demutualization of stock exchanges, and enhanced surveillance of brokerage houses and merchant banks to improve market discipline and strengthen market monitoring stabilized the market, and helped increase investor confidence. Investors are looking for higher returns (e.g., in stocks) away from bank deposits because of the lower deposit interest rates. The Investment Corporation of Bangladesh released funds under the government refinancing scheme for share investors who were most affected by the 2010 stock market crash. The enhanced collaboration between the central bank and the Bangladesh Security and Exchange Commission is also contributing to ensure capital market stability and growth.

The number of listed securities in DSE was at 559 where 287 were companies, 41 mutual funds, 8 debentures, 221 treasury bonds and 2 corporate bonds which market capitalization stood at Tk. 3,15,696.20 crore at the end of December 31, 2015. The DSEX index stood at 4,629.64 points on December 31, 2015 as against 4864.96 points on the same day of the last year which is 4.83% lower than that of previous year.

On the other hand, the number of listed securities in CSE was 299 where 256 were companies, 41 mutual funds and 2 corporate bonds which market capitalization stood at Tk. 2,48,749.28 crore at the end of December 31, 2015. On the contrary, the CSE All Share Price Index was 14089.63 points on December 31, 2015 as against 14938.92 points on the same day of the last year which is 5.68% lower than that of previous year.

In the present scenario mutual fund has emerged as the effective investment vehicle for those who like to rely on professional fund manager for investment management as it has been tested over time all around the world in both developed and emerging economies. The professional fund management, portfolio diversification, low cost but high quality investing, convenience, flexibility, and liquidity are distinct features of a mutual fund that make it a very reliable market instrument for small investors. It is apparent that there is ample opportunity for growth of our nascent mutual fund industry.

It can be said that in course of time mutual fund shall play a vital role in our capital market because of its inherent strength of being a professionally managed investment vehicle and the small individual investors shall gradually go under the umbrella of professional fund managers like those in any other emerging market.

### **2.3 Advantages for investing in Fifth ICB Unit Fund**

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

- (01) Diversified portfolio to be developed for the Fund shall help in lowering investment risk of the small investors.
- (02) Diversified portfolio of the Fund shall help the small investor to access to the whole market, which is difficult at individual level.

- (03) By channelizing small investors' saving both in local currency and foreign currency shall add liquidity to the market.
- (04) As the Fund shall be professionally managed, investors shall be relieved from the emotional stress associated with day-to-day management of individual investment portfolio.
- (05) The mutual fund industry gives investors more and better information than any other investment industry.
- (06) Expertise in stock selection and timing is made available to investors by generating higher return to them.
- (07) The investors shall be able to save a great deal in transaction/operating cost as they shall have access to a larger number of securities by purchasing a single unit of the Fund.
- (08) The unit holders can surrender their unit certificates to enable the investors to enjoy liquidity of their investment as well as to realize appreciation available as a result improving the NAV of the Fund.
- (09) Investment in mutual funds may relieve investors from various rules and regulations applicable to individual investment parameters.
- (10) According to the rules of BSEC, the mutual funds and collective investment schemes registered with the Commission enjoy a ten percent reserve quota in all Initial Public Offerings (IPOs). Therefore, investors in mutual funds by default enjoy the benefit of acquiring lucrative stocks at the Primary Market.
- (11) Tax exemption is available for investors of mutual fund. Dividend income from the Fund shall be tax free up-to certain level, which is permitted as per Finance Act.
- (12) Investment in the Fund would qualify for investment tax credit under section 44(2) of the Income Tax Ordinance, 1984.
- (13) Management and operation of mutual funds are subject to prudential guidelines. BSEC regularly monitors the performance of such Funds. The laws governing mutual funds require exhaustive disclosure to the regulator and general public. As a result, the investors shall be able to know the performance of the Fund and accordingly they can be able to take convenient entry and exit options.

## CHAPTER - 3

### THE FUND

#### 3.1 Conversion of the Fund

The Trust Deed of the Fund was registered under the Trust Act, 1882 and Registration Act, 1908. The Fund was registered by the BSEC under the "LIFE SAVING FUND" (জীবন রক্ষা) চুক্তি, 2001. The Fund received consent for issuing Prospectus for public offer from BSEC on **27 April 2016**.

#### 3.2 Life of the Fund

The Fund shall be an open-end growth mutual fund with a perpetual life established to broaden the base of investment and develop the capital market. Institutional, local and foreign, and individual investors, resident and non-resident, are eligible to invest in this Fund. The initial target size of the Fund shall be of Tk. 46,00,00,000.00 (Forty Six crore) only divided into 4,60,00,000 (Four crore Sixty lac) units of Tk. 10.00 (ten) each. Size of the Fund shall be increased from time to time by the Asset Management Company subject to approval of the Trustee and with due intimation to the BSEC.

#### 3.3 Face Value, Market Lot and Denomination

Face value of each unit shall be Tk. 10.00 (ten) and the market lot shall be 100 (one hundred) units. Unit holders of the Fund shall be issued with certificates by the Asset Management Company at the cost of the Fund in any denomination.

# CHAPTER -4

## INVESTMENT OBJECTIVES AND POLICIES

### 4.1 Investment Objective

The objective of the Fund is to provide attractive dividend to the unit holders by investing the proceeds in the capital market and money market.

### 4.2 Some important policies regarding investment and operation of the Fund

- (01) The Fund shall invest subject to the  $\phi\hbar\phi djm_i$  and only in those securities, deposits and investments approved by the BSEC and/or the Bangladesh Bank and/or the Insurance Development & Regulatory Authority Bangladesh (IDRA) of Bangladesh or any other competent authority in this regards.
- (02) Not less than 60% of the total assets of the Fund shall be invested in capital market instruments out of which at least 50% shall be invested in listed securities or as determined by the Commission from time to time.
- (03) Not more than 25% of the total assets of the Fund shall be invested in Fixed Income Securities or as determined by the Commission from time to time.
- (04) Not more than 15% of the total assets of the Fund shall be invested in pre-IPOs of Issuer Companies at one time.
- (05) All money collected under the Fund shall be invested in en-cashable/transferable instruments, securities whether in money market or capital market or privately placed pre-IPO equity, preference shares, debentures or securitized debts.
- (06) The Fund shall get the securities purchased or transferred in the name of the Fund.
- (07) Only the Asset Management Company shall make the investment decisions and place orders for securities to be purchased or sold for the Fund's portfolio.
- (08) The Asset Management Company shall choose broker(s) for the purchase and sale of securities for the Fund's portfolio.
- (09) Settlement of transaction shall take place as per the customs and practice of the relevant laws.

### 4.3 Investment Restrictions

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

- (01) The Fund shall not invest more than 10% of its total assets in any one particular company.
- (02) The Fund shall not invest in more than 15% of any company's paid up capital.
- (03) The Fund shall not invest more than 20% of its total assets in shares, debentures or other securities of a single company or group.
- (04) The Fund shall not invest more than 25% of its total assets in shares, debentures or other securities in any one industry.

- (05) The Fund shall not invest in, or lend to, any scheme under the same Asset Management Company.
- (06) 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.
- (07) 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  $\text{çhçdjimj}$ .
- (08) 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.
- (09) The Fund shall not involve in option trading or short selling or carry forward transaction.
- (10) The Fund shall not buy its own unit.

#### **4.4 Valuation Policy**

The Fund intends to determine its NAV per Unit on the last business day of each week by dividing the value of the net asset of the Fund (the value of total assets less total liabilities as per  $\text{çhçd 60}$  of the  $\text{çhçdjimj}$  by the total number of units outstanding). As per section 58 of the  $\text{çhçdjimj}$ , valuation policy of investment of the Fund needs to be approved earlier by the BSEC. Valuation criterion so far approved by the Commission in the Trust Deed is as follows:

- (01) 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 NAV of such securities in the portfolio of the Fund.
- (02) 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 NAV of such securities in the portfolio of the Fund.
- (03) The valuation of listed securities not traded within previous one month shall be made based on their reasonable value by the Asset Management Company and approved by the Trustee and commented upon by the Auditors in the Annual Report of the Fund but shall not be more than the intrinsic value of the securities.
- (04) The valuation of non-listed securities shall be made by the Asset Management Company with their reasonable value and approved by the Trustee and commented upon by the Auditors in the Annual Report of the Fund.
- (05) Once non-listed securities are valued, the valued amount shall be considered for purpose of valuing the Fund's assets in any interval of time until the securities are further revalued by the Asset Management Company.
- (06) Asset Management Company and Trustee shall value the non-listed securities at least once in every three months.
- (07) In case of deferred expenses, accrued expenses for the period shall be taken into account for determining total liabilities.

(08) Net Asset Value (NAV) calculation

The Fund shall use the following formula to derive NAV per unit:

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

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

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

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

#### 4.5 Investment Management

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  $\phi h\phi djm_j$  and Trust Deed or any general directions given by the Trustee and/or the Commission.

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

#### 4.6 Dividend Policy

- (01) The accounting year of the Fund shall be January 01 to December 31.
- (02) The Fund shall as soon as may be, after the closing of the annual accounts, declare and distribute dividend if any, to the unit holders in accordance with the  $\phi h\phi djm_j$ . Being a "Growth Scheme" in nature, the Fund shall distribute at least **50 (fifty)** percent of the total net profit earned in the respective year or as determined by the Commission from time to time.
- (03) Before declaration of dividend the Asset Management Company shall make a provision in consultation with the Auditors if market value of investments goes below the acquisition cost and the method of calculation of this provision shall be incorporated in the notes of accounts.
- (04) Surpluses arising simply from the valuation of investments shall not be available for dividend.
- (05) Dividend warrants shall be dispatched within 45 (forty five) days from the declaration of such dividends, and shall submit a statement within next 7 (seven) days to the commission.
- (06) The Fund shall create a dividend equalization reserve by suitable appropriation from the income of the Fund.
- (07) Before registration for transfer of ownership, a transferee shall not possess the right to any dividend declared.

- (08) There shall be a Cumulative Investment Plan (CIP) scheme in this Fund. Under this Scheme a unit holder instead of receiving dividend may re-invest such dividend income accrued for purchasing Unit at a concession rate. In such case, Units shall be issued at Tk. 0.10 (paisa ten) discount from the opening price of that accounting year.

#### **4.7 Price fixation Policy and Sale & Re-purchase Procedure**

After conversion of the Scheme, the sale and repurchase/surrender price of units will be determined by the Asset Management Company. NAV calculated on a date shall form the sale price of units by rounding up the amount and shall be effective up to next calculation of NAV of the Fund. Difference between sale and repurchase price shall primarily be Tk. 0.30 (paisa thirty), which may be changed in future, but not be over 5% of the sale price per unit.

Units of the Fund could be purchased from the counter of the Asset Management Company and designated Selling Agents 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/acknowledgement slip issued at the time of sale of units shall be treated as allotment letter, which shall not be redeemable/ transferable. Certificate shall be issued within 90 (ninety) days from the date of sale. Unit issue process under conversion i.e. unit issue process under dematerialized form with the depository

Unit certificates could be re-purchased at the counter of the Asset Management Company and designated Selling Agents by submitting properly filled in prescribed Unit Surrender Form along with unit certificates to be surrendered at the prevailing surrender price. Payment shall be made on the same or next day through account payee cheque. The redemption shall be made on first come first serve basis. In the event the redemption request on a particular day exceed 1% of the unit outstanding, the Asset Manager may defer, if required, the redemption request over 1% for a maximum period of 7 (seven) working 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.

# CHAPTER -5

## RISK MANAGEMENT

### 5.1 Risk Factors

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

- (01) The performance of the Fund is directly related with the macro economic situation particularly the capital market of Bangladesh.
- (02) Since the capital market of Bangladesh is highly volatile, there is no assurance of achieving the stated objectives of the Fund.
- (03) Due to small number of listed securities in both the stock exchanges, it may be difficult to invest the Fund's assets in a widely diversified portfolio as and when required to do so.
- (04) Due to very thin secondary fixed income/debt market in Bangladesh, it would be difficult for the fund manager to swap between asset classes.
- (05) Due to absence of organized secondary debenture market in Bangladesh, it would be difficult for the Fund Manager to swap between asset classes if and when required.
- (06) Limited money market instruments narrowed the opportunity of short term or temporary investments of the Fund.
- (07) Stock market trends show that price of almost all the listed securities move in unpredictable direction which may affect the value of the Fund. Moreover, there is no guarantee that the market price of shares of the Fund shall fully reflect their underlying net asset values.
- (08) If the companies fail to provide expected dividend, this may affect the return of the Fund.
- (09) For investing in Pre-Public Offer Placement securities i.e. in unlisted equity securities by the Fund may involve liquidity risk.
- (10) Uncertainties like political and social instability may affect the value of the Fund's Assets.
- (11) Government policy and tax laws may change, affecting the return on investment in Units.
- (12) Adverse effect of the economic crisis of the international community on the capital market of Bangladesh may affect the performance of the Fund.
- (13) Adverse natural climatic condition may hamper the performance of the Fund.



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

- (01) It is expected that demand of the unit certificates of the Fund shall be increasing due to attractive return on the outstanding units.
- (02) Image of ICB, being the holding company of the ICB AMCL for successful marketing of 8(eight) close-end and 1(one) open-end mutual fund may motivate investors to invest in this Fund.
- (03) Successful launching and subsequent satisfactory performance of 10 (ten) close-end and 5 (five) open-end mutual funds managed by the ICB AMCL may attract the investors to invest in this Fund.
- (04) Due to tax incentives and some other distinct advantages including lien, ready liquidation facilities, the Fund may attract the investors for investment in this Fund.

## **5.3 Who to invest and how much to invest**

Institutional investors, Non-resident Bangladeshi (NRB), general public and other individuals can invest in this Fund. Persons who do not have tolerance of bearing risk and know nothing about the functioning of the capital market need not apply for the units of the Fund. Considering other factors like the investment opportunities available in the market, return expectation, income level and consumption pattern, one may put a part of his/her total portfolio into the Fund.

# CHAPTER -6

## FORMATION, MANAGEMENT AND ADMINISTRATION

### 6.1 Sponsor, Trustee & Custodian of the Fund

According to the Guidelines in respect of conversion of close-end mutual fund's to open-end mutual funds, the legal requirement of minimum subscription of the sponsor of the fund as per rules is exempted; however, the existing unit holders shall be treated as Initial Subscribers to the fund and **Investment Corporation of Bangladesh (ICB)**, the initial promoter & initiator of the close-end fund shall also play the role of sponsor of the fund;

In order to ensure maximum trust and confidence of the investors, supervisory bodies and the persons concerned towards the Fund, the **Investment Corporation of Bangladesh (ICB)** would act as the Trustee and Custodian of the Fund whereas ICB AMCL shall act as the Fund Manager of the said mutual fund.

The ICB was established on 01 October 1976, under "The Investment Corporation of Bangladesh" Ordinance, 1976 (No. XL of 1976). The establishment of ICB was a major step in a series of measures undertaken by the government to accelerate the pace of industrialization and to develop a well-organized and vibrant capital market, particularly securities market in Bangladesh. ICB provides institutional support to meet the equity gap of the companies. In view of the national policy of accelerating the rate of savings and investment to foster self-reliant economy, ICB assumes an indispensable and pivotal role. Through the enactment of the Investment Corporation of Bangladesh (Amendment) Act, 2000 (No. 24 of 2000), reforms in operational strategies and business policies have been implemented by establishing and operating subsidiary companies under ICB. The main objectives of ICB are to encourage and broaden the base of investments, develop the capital market, mobilize savings, promote and establish subsidiary companies for business expansion and provide for matters ancillary thereto etc. At present the corporation is being operated under the "Investment Corporation of Bangladesh act, 2014."

Over the years, the activities of ICB have grown manifold, particularly in Merchant Banking, Mutual Funds operations and Lease Financing activities. ICB pioneered the Mutual Fund Industry in Bangladesh. The country's first mutual fund, the "First ICB Mutual Fund" was launched on 25 April 1980. Since then ICB had floated 8 (eight) mutual funds. ICB also manages the country's first open-end mutual fund. It has also the single largest stockbroker and dealer in DSE and CSE. Due to continuous price falling in the FY 2010-11, an initiative has taken to form an open-end mutual fund of Tk. 5,000.00 crore called "Bangladesh Fund" by ICB to regain investor's reliance through increasing flow of liquidity for a stable and dynamic stock market. The Bangladesh Fund is the largest open-end mutual fund ever in the history of our country.

During the FY 2013-14, the total trading of ICB and its subsidiary companies in both the bourses was Tk. 13,500.90 crore which was Tk. 10,309.55 crore in the previous year. ICB and its subsidiary companies contribution to total turnover of Tk. 1,22,758.08 crore of both the bourses was 11.00% which was 10.75% in the previous year. Besides, ICB has acted as Trustee to the debenture issues of 17 companies involving Tk. 184.15 crore and issues of 17 bonds of 14 companies involving Tk. 2,049.36 crore up to June 30 2014. ICB also undertook the responsibilities of trustee as well as custodian to 26 close-end mutual funds of Tk. 2,525.75 crore and 2 open-end mutual funds with capital of Tk. 30.00 crore up to June 30, 2014.

Over the years, ICB independently and confidently managed a lot of multidimensional, progressive as well as impressive investment with utmost professionalism and proved its efficiency of

expanding its business lines, Since ICB is a multidimensional Investment Corporation, it has introduced mark to market system of accounting for wailing investments in marketable securities which ultimately concern really about the capital market and economic development of the country. The Corporation has long and proven experience in portfolio management advisory function, particularly in buying and selling of shares, corporate restructuring and engineering, off loading of government shares and hosts of other merchant bank related activities for the benefit of its clients. To maintain efficiency and stability in stock market, ICB always play important role as a market maker. ICB has enhanced its efforts to persuade the listed companies to comply with the corporate governance guidelines circulated by the BSEC. Besides this, ICB helped to protect small investors' interests and to increase the stability in the capital market by implementation of various steps taken by BSEC.

## **6.2 Asset Manager of the Fund**

ICB Asset Management Company Limited, a subsidiary of ICB shall act as the Asset Manager of the Fund. ICB AMCL was created as part of the restructuring program of ICB under Capital Market Development Program (CMDP) initiated by the Government of the Peoples Republic of Bangladesh and Asian Development Bank (ADB). The Company was incorporated as a public limited company under the -L;Çfjçø BCe, 1994 with the Registrar of Joint Stock Companies & Firms on 05 December 2000. Registration of the Company with the BSEC was obtained on 14 October 2001. The Company has also obtained necessary Government Gazette Notification on 01 July 2002 to carry out the mutual fund operations.

The present authorized capital of the Company is Tk. 100.00 crore and paid-up capital is Tk. 39.37 crore. The Company has been successfully managing 10 (Ten) close-end mutual funds and 5 (Five) open-end mutual funds for the last 13 (twelve) years of operations.

As per relevant provision of the ICB Ordinance, Corporation shall hold all or majority shares 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% directors from ICB and the rest from private sector has been created.

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

**Mr. Nasir Uddin Ahmed**, General Manager of Investment Corporation of Bangladesh (ICB), has joined IAMCL as the Chairman of the Board of Directors on January 12, 2016. He has completed his graduation and post graduation degree in Accounting from the University of Dhaka. He is also a fellow member of ICMA. He joined as Senior Officer of Investment Corporation of Bangladesh in 1984 and held important positions in Investors, Unit Sales, Computer, Central Accounts, Admin, Branch Control Divisions of ICB in Different capacities. He was CEO of ICB Capital Management Limited (ICML) form April 04 2011 to December 28, 2011 until he was promoted to General Manager in the year 2011. He again joined as Director of ICML. He is a director of Bangladesh Aroma Tea Ltd, Aramit Cement Ltd, Energypack Power Generation Ltd, Aramit Footwear Ltd, Aramit Steel Pipes Ltd, Aramit Alu Composite Panels Ltd, Orion Infrastructure Ltd, Bangladesh Thai Aluminum Ltd, and S.Alam Cold Rolled Steels Ltd.

**Dr. Mijanur Rahman** is a Professor of the University of Dhaka and at present holding the position of the Vice Chancellor of Jagannath University. He did his B.Com (Hons) and M.Com degree in Marketing from the University of Dhaka and obtained his Ph.D. degree in Business Administration from Aligarh Muslim University, India. He has completed different training in home and abroad. He has various publications and attended national and international workshop/seminar.

**Ms. Dipika Bhattacharjee**- the Deputy General Manager of Investment Corporation of Bangladesh as well as the Company Secretary. She joined ICB in 1987 as a Senior Officer. She completed her Graduation and Post Graduation degrees in the Discipline of Finance from the University of Dhaka.

**Dr. Md. Hamid Ullah Bhuiyan** is a Professor of the University of Dhaka and at present serving in the Department of Accounting & Information Systems, Faculty of Business Studies, University of Dhaka. He did his B.Com (Hons) and M.Com degree in Accounting from the University of Dhaka and obtained his PhD degree from La Trobe University, Australia. He has different administrative and professional experience. He has received many awards from home and abroad. He has also various publications.

**Dr. Md. Akram Hossain** is an Associate Professor of the University of Dhaka and at present serving in the Department of Management Information Systems (MIS), Faculty of Business Studies, University of Dhaka. He did his Bachelor of Business Administration (BBA) degree major in Management and Masters of Business Administration (MBA) degree major in Management Information Systems (MIS) from the University of Dhaka and obtained his PhD degree from the University of Dhaka & The University of York, UK. He has received many awards from home and abroad. He has different administrative and professional experience. He has also various publications.

**Mr. Md. Nazrul Islam Khan**, B.Com (Hons) M.Com in Accounting from the University of Dhaka. He is Deputy General Manager of ICB and has attended several training programs. He has completed 30 years of service in the field of investment banking. Presently he is the Chief Executive Officer (CEO) of ICB Asset Management Company Limited.

Senior executives of the Company are highly experienced in the relevant fields with excellent academic background in Finance & Banking, Economics, Accounting, Management, Marketing and Computer Science etc. Most of them have undergone local training, particularly in capital market related subjects. Fund Management System of the Company is highly automated.

### 6.3 Auditors

Ahmed Zaker & 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. The Trustee shall appoint subsequent auditors for the Fund with reasonable fees, where the incumbent auditor 'if any' shall be eligible for re-appointment for up to three consecutive terms of one year each.

### 6.4 Selling Agents

The following institutions shall act as the Selling Agents of Third ICB Unit Fund to sale and re-purchase of units of the Fund on behalf of the Asset Manager:

Name of the Selling Agent	Branch Name	Branch Location	Branch Phone No.
Investment Corporation of Bangladesh	Chittagong Br.	Delwar Bhaban (3 <sup>rd</sup> Floor), 104, Agrabad C/A, Chittagong.	Tel: (031) 727064, 714851
	Rajshahi Br.	Dr. Gaffar Plaza (2 <sup>nd</sup> Floor), Main Road, Shaheb Bazar, Rajshahi.	Tel: (0721) 775402, 774661
	Khulna Br.	BDBL Bhaban, 25-26, K.D.A. C/A, Khulna.	Tel: (041) 721689, 722984
	Bogra Br.	Afsar Ali Complex, Rajabazar Road, Baragola, Bogra.	Tel: (051) 66940, 66860
	Barisal Br.	87-88, Hemayet Uddin Road, Barisal.	Tel: (0431) 64404
	Sylhet Br.	Ananda Tower & Shopping Complex (2 <sup>nd</sup> Floor), Jail Road, Sylhet.	Tel: (0821) 714703
	Local Office	Kashfia Plaza, 35/C, Nayapaltan, VIP Road, Dhaka- 1000.	Tel: (02) 9343288, 8360815

The Asset Manager may appoint and cancel Selling Agents in future subject to approval of the Trustee and with due intimation to the BSEC.

# CHAPTER -7

## FINANCIAL CHARGES

### 7.1 Limitation of Expenses

- (01) The initial issue & conversion expenses in respect of the Fund shall not exceed 1.3% of the collected amount of the Fund raised under the Scheme or any ceiling as determined by the AMC which is approved by the Commission and the Trustee and shall be amortized within 7 (seven) years on a straight-line method.
- (02) The total expenses charged to the Fund, except the amortization of initial issue expenses and including transaction cost in the form of stock brokerage against buy and sale of securities forming a part of acquisition or disposal cost of such securities, transaction fees payable to the Custodian against acquisition or disposal of securities, the annual registration fees payable to the Commission, audit fees, cost for publication of reports and periodicals, bank charge, commission of selling agents etc., shall not exceed 4% of the weekly average net assets outstanding of the Fund during any accounting year.

### 7.2 Fees and Expenses

- (01) The Fund shall pay the fees of Asset Manager, the Trustee and the Custodian together with any other fees, commissions and expenses as may arise from time to time. The Fund shall bear its own costs and expenses incurred/accrued in connection with its formation, promotion, registration, public offering together with certain other costs and expenses incurred in its operation, including without limitation expenses, legal & consulting service, auditing, other professional fees, advisory fees & expenses, brokerage, share/debenture registration expenses, guarantee or underwriting commission and fees due to the BSEC. The Fund shall also bear all the other incidental expenses including printing, publication and stationery relating to its smooth and fair operation.
- (02) Keeping in mind, the initial size of the Fund shall be Tk. 46,00,00,000.00 (Forty six crore) only, ICB AMCL estimated the normal annual operating expenses of the Fund, which shall not exceed 4% 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:

#### 7.2.1 Issue and Conversion Expenses

The initial issue & conversion expenses in respect of the Fund shall not exceed 1.3% of the collected amount. The issue and conversion expenses shall be amortized within 7 (seven) years on a straight-line method. The estimated expenses for conversion of the Fund are presented below with the assumption of Tk. 46,00,00,000.00 (Forty six crore) to be collected:

Sl.	Particulars	%	Total (Tk.)	Breakup
01.	Legal Expenses	0.07	3,00,000.00	Commissioning & Other legal expenses.
02.	Regulatory Expenses	0.10	4,60,000.00	BSEC Annual Fee**
03.	Conversion Fee	0.80	36,80,000.00	Conversion Fee to AMC
04.	Dematerialization Expenses	0.13	6,00,000.00	Computer for CDBL connection, CDBL annual fee, CDBL security deposit and transaction related cost.
05.	Printing and Publication Expenses	0.20	9,20,000.00	Publication of Prospectus. Publication of Financial Statements and Valuation Report in Daily News Paper, Forms, marketing documents & others.
<b>Total</b>		<b>1.30</b>	<b>59,60,000.00</b>	

**Note:** \*\*BSEC has exempted the registration fee of the Fund under special consideration.

### 7.2.2 Management Fee

The Asset Management Company shall be entitled to charge the Fund an annual management fee for Investment Management at the following rate or in accordance with the çhçd 65 of the çhçdjimj

- i) @ 2.50% per annum of the weekly average NAV of the Fund up to Tk. 5.00 (five) crore.
- ii) @ 2.00% per annum for additional amount of the weekly average NAV of the Fund over Tk 5.00 (five) crore up to Tk. 25.00 (twenty five) crore.
- iii) @ 1.50% per annum for additional amount of the weekly average NAV of the Fund over Tk 25.00 (twenty five) crore up to Tk. 50.00 (fifty) crore.
- iv) @1.00% per annum for additional amount of the weekly average NAV of the Fund over Tk. 50.00 (fifty) crore.

### 7.2.3 Trustee Fee

The Trustee shall be paid an annual trustee fee @ 0.10% of the NAV of the Fund during the life of the Fund.

### 7.2.4 Custodian Fee

The Fund shall pay to the Custodian a safe keeping fee @ 0.10% of balance (dematerialized and non-dematerialized) securities and assets held by the Fund calculated on the basis of average month end value per annum.

### 7.2.5 Fund Registration and Annual Fee

The Commission has exempted the registration fee for registration of the Fund under special consideration which was payable @ 0.20% of the initial target size of the Fund in terms of the çhçd 10 of the çhçdjimj. In addition to that the Fund shall have to pay @ 0.10% of the Fund value or Tk. 50,000.00 (fifty thousand) only whichever is higher as annual fee in terms of the çhçd 11 of the çhçdjimj or as determined by the Commission from time to time.

### 7.2.6 Commission payable to Selling Agents

The Fund shall pay commission to the authorized Selling Agents to be appointed by the Asset Management Company @ 0.25% on the transaction amount of sales and redemptions which may change in future with the approval of the Trustee.

#### **7.2.7 Audit Fee**

The audit fee shall be Tk. 25,000.00 (Twenty Five) only for the first accounting year and the Trustee shall fix fees for subsequent years.

## CHAPTER -8

### SIZE OF THE FUND, TAX STATUS AND RIGHTS OF UNIT HOLDERS

#### 8.1 Size of the Fund

The initial target size of the Fund shall be Tk. 46,00,00,000.00 (Forty six crore) only divided into 4,60,00,000 (Four crore sixty lac) units of Tk. 10.00 (ten) each which may be increased from time to time by Asset Management Company subject to approval of the Trustee with due intimation to the Commission till liquidation of the Fund. The initial distribution of the Fund's unit holding shall be as follows:

(Amount in Taka)

Particulars	Face Value (Per Unit)	No. of Units of Fifth ICB Mutual Fund	Conversion Rate	No. of Units of Fifth ICB Unit Fund	Amount (Tk.)	Remarks
Existing Unit Holders	10.00	15,00,000	304.61	4,56,91,093	45,69,10,930.00*	Subscribed through conversion
Institutional Investors, Others and Public Offer	10.00	0	-	3,08,500	30,85,000.00	Yet to be subscribed
<b>Total</b>		15,00,000		<b>4,60,00,000</b>	<b>46,00,00,000.00</b>	

Note: \* Sum of the fraction amount BDT 4,070.00 will remain with the fund.

#### 8.2 Allocation of Units

##### 8.2.1 Existing Unit Holders' of Fifth ICB Mutual Fund (Close-end)

According to the decision in the unit holders meeting for conversion Tk. 45,69,10,930.00 (Forty five crore sixty nine lac ten thousand nine hundred and thirty) only divided into 4,56,91,093 units of Tk. 10.00 (ten) each allotted in favour of existing unit holders' of Fifth ICB Mutual Fund which has already subscribed through conversion of 15,00,000 units of the said Fund @ NAV. Sum of the fraction amount BDT 4,070.00 will remain with the fund.

#### 8.3 Tax Exemption

Investment in the Fund by individual investors shall enjoy tax exemption benefit under Section 44(2) of the Income Tax Ordinance, 1984.

#### 8.4 Rights of the Unit holders

- (a) **Dividend:** All the unit holders have equal but proportionate right in respect of dividend. The units carry rights to dividends as explained in the "Dividend Policy" of the Fund, set forth in Chapter-4.
- (b) **Transfer of Units:** Units of the Fund are transferable by way of inheritance/gift and/or by specific operation of law.



- (c) **Sale and Re-purchase Price:** After conversion of the Scheme, the Asset Management Company shall disclose the sales price and surrender value per unit calculated on the basis of NAV in a manner that all possible investors may be notified. The sale price per unit shall not be more than the latest NAV at market price per unit and surrender value per unit be determined following the Rule/ϕhϕdjimj. The difference between sales price and surrender value shall be Tk. 0.30 (paisa thirty) per unit.
- (d) **Re-purchase of Units:** The unit holders may surrender their unit certificates during the business hour as specified by the Asset Management Company. The Asset Management Company shall be liable to re-purchase the units on behalf of the Fund.
- (e) **Initial Price:** The initial sale price of each unit of the Fund shall be fixed at Tk. 10.00 (ten). Sale price of each unit of the Fund will be fixed after achieving the initial target amount or after closing of initial public subscription whichever is earlier.
- (f) **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 ϕhϕdjimj. 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.
- (g) **Beneficial Interest:** The unit holders shall preserve only the beneficial interest in the trust properties on pro rata basis of their ownership of the respective Scheme.
- (h) **Periodic Information:** All the unit holders of the Fund shall have the right to receive the Annual Report and Audited Accounts of the Fund. Moreover, the unit holders shall be informed of the NAV of the Fund on weekly basis through the AMC's website and newspapers.
- (i) **Accounts and Information:** The Fund's financial year shall be closed on 31 December every year and the first year end shall be 31 December 2016. Annual Report or major head of Income & Expenditure Account and Balance Sheet in line with schedule VI of the ϕhϕdjimj shall be published within 45 (forty five) days from the closure of each accounting year. Furthermore, the NAV of the Fund, NAV per unit, any suspension or alteration of the calculation of NAV of the Fund shall be published/notified to the Stock Exchanges by the Asset Management Company as per the ϕhϕdjimj.

# CHAPTER -9

## WINDING UP POLICY

### 9.1 Procedure of Winding up

- (01) If the total number of outstanding unit certificates held by the unit holders after re-purchase at any point of time falls below 25% of the actual certificate issued, the Fund shall be subject to wound up.
- (02) The Fund may be wound up on the happening of any event, which, in the opinion of the Trustee with approval from the Commission, requires the Scheme to be wound up.
- (03) The Fund may also be wound up if the Commission so directs in the interest of the unit holders.
- (04) Where a Fund is to be wound up in pursuance to the above, the Trustee and the Asset Management Company shall give simultaneously separate notice of the circumstances leading to the winding up of the Fund to the Commission and if winding up is permitted by the Commission, shall publish in two national daily newspapers including a Bangla news paper having circulation all over Bangladesh.

### 9.2 Manner of Winding up

- (01) The Trustee shall call a meeting within 30 (thirty) days from the notice date of the unit holders of a Scheme 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 Fund. If it fails to have three-fourth majority mandate, the Commission shall have the power to supersede the mandate if situation demands such.
- (02) 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.
- (03) Within 30 (thirty) days from the completion of the winding up, the Trustee shall forward to the Commission and the unit holders a report on the winding up containing particulars, such as circumstances leading to the winding up, the steps taken for disposal of assets of the Scheme 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 Scheme of the Fund.

### 9.3 Effect of Winding up

- (01) 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 open-end Fund;
  - b. cease to create and cancel unit of the open-end Fund;
  - c. cease to issue and redeem units of the open-end Fund.

# CHAPTER -10

## UNIT SUBSCRIPTION

### 10.1 Terms and condition of unit subscription

- (01) Units shall be sold initially through registered office of ICB AMCL and Selling Agents on all working days except **Thursday** and during book closure period of the Fund. 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 time, the applicants are advised to deposit a bank draft or a pay order in support of the application.
- (02) Application for units shall be made for minimum of 100 (one hundred) units.
- (03) Application should preferably be made on the prescribed printed forms. Application Form may be obtained from the registered office of ICB AMCL and designated Selling Agents offices. The Prospectus shall be available at the issuing offices mentioned above. The application form and prospectus may also be downloaded from the website of the Company ([www.icbamcl.com.bd](http://www.icbamcl.com.bd)).
- (04) Application must be made by an individual (both resident and non-resident), a corporation or company (both local and foreign), a trust or a society (registered in or outside Bangladesh) and not by a firm, minor or persons of unsound mind. Applications from insurance, financial and market intermediary companies must be accompanied by Memorandum and Articles of Association.
- (05) Joint application by two persons is acceptable. In such cases, registration and issuance of Confirmation of Unit Allocation will be in favor of principal applicant while dividend and other benefits, if any, will be addressed to bank account of principal applicant mentioned in the application form/ bank account mentioned in application. In case of the death of any of the joint holders, only the survivor shall be recognized as having any title to the Units. On death of both the joint holders, the Title to the Units will bestow upon the nominee mentioned in the application form. Joint application form for more than two persons shall not be accepted. In the case of joint application, each party must sign the application form.
- (06) Application must contain full name and address of the applicant and the nominees. Minor can also be a nominee.
- (07) 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.
- (08) Application for purchase of Units should be accompanied by an account payee cheque/pay order/bank draft in favor of "Fifth ICB Unit Fund" or cash for the total value of the Units.
- (09) Dividend may be delivered in cash or re-investment among the unit holders.
- (10) **APPLICATIONS NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS AND THE INSTRUCTIONS PRINTED ON THE APPLICATION FORM ARE LIABLE TO BE REJECTED.**

**FIFTH ICB UNIT FUND**  
**Asset Manager: ICB Asset Management Company Limited**  
 (A Subsidiary of ICB)  
**APPLICATION FORM TO PURCHASE UNITS**

**To be filled in by Issuing Office**

To       Issuing Office Stamp	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="padding: 2px;">Nominee Control Number:</td></tr> <tr><td style="padding: 2px;">Sale Day:</td></tr> <tr><td style="padding: 2px;">Date of Issue:</td></tr> <tr><td style="padding: 2px;">Registration No./ B.O.</td></tr> <tr><td style="padding: 2px;">Sale Number:</td></tr> </table>	Nominee Control Number:	Sale Day:	Date of Issue:	Registration No./ B.O.	Sale Number:
Nominee Control Number:						
Sale Day:						
Date of Issue:						
Registration No./ B.O.						
Sale Number:						
Certificate Number(s) :       <div style="text-align: right; margin-top: 20px;">Signature of the Officer with date</div>						

**To be filled in by the applicant(s)**

Date: .....

**(Please write clearly and delete words if not applicable)**

I/We enclose Tk. .... (Taka.....)  
 ..... )  
 \* Cash/Cheque/P.O./D.D.No. .... Date .....  
 Bank.....Branch.....  
 .... and request you to sell to me/us ..... Units of **Fifth ICB Unit Fund** at the price of Tk.  
 ..... per unit (Prevailing on the Sale Date) for application. I/We already hold /do not hold  
 ..... Units and my/our Registration No. / B.O. is.....

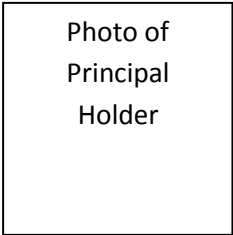
I/We am/are not minor(s). I/We have read and understood the terms and conditions of the Deed of Trust and Prospectus of the Fund and agreed to be bound and governed by the same on availing/using any facility. I/we further agree not to hold the Fund liable for any consequences in case of any of the below mentioned particulars being false, incorrect or incomplete. I/we hereby undertake inform the Asset Manager of any changes to the information provided herein below and agree and accept that the Fund and its Asset Manager is not liable or responsible for any loss.

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 re-purchase price. I/We the undersigned do hereby declare that the money which is being invested for the purchase certificates of **Fifth ICB Unit Fund** is not earned /collected directly or indirectly in illegal way.

\* 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.  
 \*\* For occupation classification please see reverse  
 \*\*\* Read terms & conditions on reverse

**BLOCK LETTERS PLEASE**

**PRINCIPAL HOLDER**



**Name** (Individual/Institution) X .....

Father's Name X .....

Spouse's Name X .....

Mother's Name X .....

\*\* Occupation/Designation X .....

Nationality X .....

Date of Birth/Date of incorporation X .....

National ID No./Registration No. (Ins) X .....

Passport No. X .....

e-TIN Certificate No. X .....

Birth Certificate No. X .....

Correspondence/Present Address X .....

X .....

Permanent Address/Registered Address(Ins.) X .....

X .....

Telephone X .....

Cell No: X .....

Email X .....

Source of Fund X .....

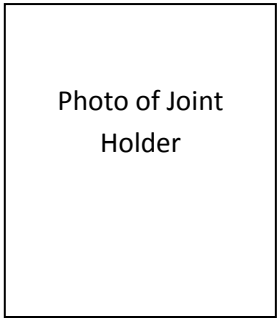
**Bank Details**

X A/C No..... Bank Name .....

Branch ..... Routing No.....

Address .....

\_\_\_\_\_  
Specimen signature of principal holder



BLOCK LETTERS PLEASE

JOINT HOLDER

**Name** (Individual/Institution) X .....

Father's Name X .....

Spouse's Name X .....

Mother's Name X .....

\*\* Occupation/Designation X .....

Nationality X .....

Date of Birth/Date of incorporation X .....

National ID No./Registration No. (Ins) X .....

Passport No. X .....

e-TIN Certificate No. X .....

Birth Certificate No. X .....

Correspondence/Present Address X .....

X .....

Permanent Address/Registered Address(Ins.) X .....

X .....

Telephone X .....

Cell No: X .....

Email X .....

Specimen Signature of Joint Holder (If any)

**TERMS & CONDITIONS**

\*\*\*

1. Units shall be sold through ICB AMCL Head Office and Authorized Selling Agents on all working days except Thursday and book closer period declare by office. 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 send a Bank Draft or a Pay Order.
2. Cheques, Pay Orders and Bank Drafts should be crossed and made payable to the Issuing Office concerning **Fifth ICB Unit Fund**.
3. Application for units shall be made for minimum of 100 (one hundred) Units.
4. Registration Number is issued to the Unit Holders. The existing Unit Holder is required to mention the previous Registration/BO Number on the specified column of the Application Form when he/she intends to buy more units. More than one Registration Number is not issued to the same Unit Holder. Upon Registration of a sale, Unit Holders shall be issued with Unit Certificates. The certificates are available in denomination(s) of 1, 5, 10, 20, 50, 100, 250, 500,1000, 5000, 10000 and 20000 Units. The fewest possible number of Certificates may be issued against each application. Unit issue process under conversion i.e. unit issue process under **dematerialized** form with the depository.
5. Units shall be registered in the name(s) of the Applicant(s), Joint Holders, Institutions shall be registered provided that Application Form is duly completed and signed by all Joint Holders or both Signatory (in case of Institution). Dividend and any other payment/benefits (if any) shall be issued in favour of Principal Holder only. In case of the death of any of the Joint Holders, only the survivor shall be recognized as having any title to the Units. But absolutely on death of the Principal Holder as well as both the Joint Holders the units and entitlements shall bestow upon the Nominee(s) if any mentioned in the Nominee Form [ ..... ICB5-KA(1)]. Principal Holder as well as Joint Holders can change the nominee through submitting application of Nominee Form to the authority where previously submitting Nominee Form shall be automatically cancelled.
6. Application(s) by Institution, Charitable Organization/Provident Fund/Trust Fund must be accompanied by the relevant documents authorizing investment in Units such as Incorporation Certificate, Extract of Board Regulation, Memorandum and Articles of the Company, Trust Deed, Society Registration Certificate, e-TIN Certificate, Relevant Document if Board Resolution is not required, Bye-Laws of the Society, a Resolution by the Management Body and Power of Attorney in favor of the person(s) signing the Application(s).
7. **Cumulative Investment Plan (CIP):** Under this scheme, Unit Holder might reinvest dividend income accrued thereon for purchasing unit at a concessional rate instead of receiving cash dividend. In this case new units would be issued at Tk. 0.10 (paise ten) less than the opening price of the next financial year.

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

Yes	No
-----	----

9. Occupation may be classified as under

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>a. Civilian <input style="width: 20px; height: 15px;" type="checkbox"/></li> <li>b. Govt. Salaried <input style="width: 20px; height: 15px;" type="checkbox"/></li> <li>c. Non-Govt. Servants. <input style="width: 20px; height: 15px;" type="checkbox"/></li> <li>d. Defense Personnel <input style="width: 20px; height: 15px;" type="checkbox"/></li> <li>e. Professions-Legal, Medical and Engineering etc. <input style="width: 20px; height: 15px;" type="checkbox"/></li> <li>f. Retired Personnel <input style="width: 20px; height: 15px;" type="checkbox"/></li> <li>g. Businessmen <input style="width: 20px; height: 15px;" type="checkbox"/></li> <li>h. Agriculturists <input style="width: 20px; height: 15px;" type="checkbox"/></li> </ul> | <ul style="list-style-type: none"> <li>i. House-Wives <input style="width: 20px; height: 15px;" type="checkbox"/></li> <li>j. Working Women <input style="width: 20px; height: 15px;" type="checkbox"/></li> <li>k. Workers <input style="width: 20px; height: 15px;" type="checkbox"/></li> <li>l. Student <input style="width: 20px; height: 15px;" type="checkbox"/></li> <li>m. Bangladeshi Residing Abroad <input style="width: 20px; height: 15px;" type="checkbox"/></li> <li>n. Foreign National <input style="width: 20px; height: 15px;" type="checkbox"/></li> <li>o. Scientist <input style="width: 20px; height: 15px;" type="checkbox"/></li> <li>p. Miscellaneous. <input style="width: 20px; height: 15px;" type="checkbox"/></li> </ul> |
|---|--|

10. Type of Institution:  Local Company  Foreign Company  Trust  Society  Other

11. Documents enclosed  
(i) For Individual:

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>a. TIN Certificate <input style="width: 20px; height: 15px;" type="checkbox"/></li> <li>b. Passport <input style="width: 20px; height: 15px;" type="checkbox"/></li> <li>c. Electricity Bill <input style="width: 20px; height: 15px;" type="checkbox"/></li> <li>d. Gas Bill <input style="width: 20px; height: 15px;" type="checkbox"/></li> <li>e. Letter of Authority issued in favor of authorized person/signatory <input style="width: 20px; height: 15px;" type="checkbox"/></li> </ul> | <ul style="list-style-type: none"> <li>f. National ID <input style="width: 20px; height: 15px;" type="checkbox"/></li> <li>g. Birth Certificate <input style="width: 20px; height: 15px;" type="checkbox"/></li> <li>h. Water Bill <input style="width: 20px; height: 15px;" type="checkbox"/></li> <li>i. Telephone Bill <input style="width: 20px; height: 15px;" type="checkbox"/></li> </ul> |
|--|--|

(ii) For others:

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>a. Incorporation Certificate <input style="width: 20px; height: 15px;" type="checkbox"/></li> <li>b. Society Registration Certificate <input style="width: 20px; height: 15px;" type="checkbox"/></li> <li>c. Extract of the Board Resolution <input style="width: 20px; height: 15px;" type="checkbox"/></li> <li>d. Letter of Authority issued in favor of authorized person/signatory <input style="width: 20px; height: 15px;" type="checkbox"/></li> </ul> | <ul style="list-style-type: none"> <li>e. TIN Certificate <input style="width: 20px; height: 15px;" type="checkbox"/></li> <li>f. Trust deed <input style="width: 20px; height: 15px;" type="checkbox"/></li> <li>g. Memorandum and Articles of Association <input style="width: 20px; height: 15px;" type="checkbox"/></li> <li>h. Relevant Document if Board Resolution is not required <input style="width: 20px; height: 15px;" type="checkbox"/></li> </ul> |
|--|--|

\_\_\_\_\_  
Sign of Principal Holder with date

\_\_\_\_\_  
Sign of Joint Holder (if any) with date

Received Certificates for..... Units  
as mentioned overleaf

(Sign of Applicant/ Authorized Agent with date)



**FIFTH ICB UNIT FUND**  
**Asset Manager: ICB Asset Management Company Limited**  
**(A Subsidiary of ICB)**  
**APPLICATION FORM FOR NOMINEE**

To    Issuing Office Stamp
--

**Nominee Control Number :**  
 (To be filled in by Issuing Office)

Date: .....

I/We already hold ..... Units and my/our Registration No/B.O. No is.....  
 I/We nominate the following person(s) who is/are entitled to receive unit certificate and all other entertainment outstanding in connection with my/our aforesaid Registration Number in the event of the death of the Principal Holder/Joint Holder.

BLOCK LETTERS PLEASE

Name and Address of Nominee	Date of Birth	Relation with Principal Holder	Signature of Nominee	Photograph of Nominee (Attested by Principal Holder)	Percentage (%)

**Guardian's Details (If Nominee is Minor)**

Name and Address of Guardian	Date of Birth	Relation with Nominee	Signature of Guardian	Photograph of Guardian (Attested by Principal Holder)

Principal Holder	Joint Holder (if any)
1. Signature: ..... Name (Individual) ..... Reg./BO No. .... Telephone/Cell No. ....	2. Signature: ..... Name (Individual) ..... Telephone/Cell No.....

Signature Verified by the Authorized Officer with date

# FIFTH ICB UNIT FUND

Asset Manager: **ICB Asset Management Company Ltd.**  
(A Subsidiary of ICB)

## TRANSFER FORM

(Delete Words applicable, Please write clearly)  
READ NOTES ON REVERES

**To be filled in by Issuing Office**

TO

**(Issuing Office Stamp)**

Nominee Control Number
Transfer No.
Transfer Date
Registration/ BO No. of Transferee(s)
Signature :

**To be filled in by the Applicant(s)**

I/We the undersigned Transferor(s), being the Holder(s) of .....Units represented by Unit Certificate No. (s).....  
 .....  
 .....  
 .....  
 .....

Of the **FIFTH ICB UNIT FUND** standing in my/our names (Registration/B.O. No. ....  
 Sale No.....  
 .....  
 Transfer.....  
 ..... do hereby transfer the said unit certificates to the hereinafter named Transferee(s) to hold subject to the same conditions on which I/ We hold them at the date.

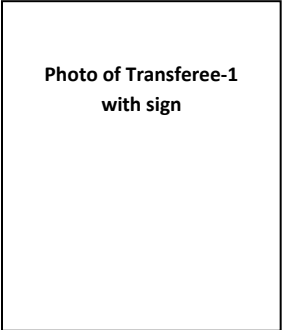
**BLOCK LETTER PLEASE**

**Witnesses**

Signature :..... Name:..... Occupation:..... Address:..... ..... .....	<p style="text-align: center;"><b><u>Signature of Transferor(s)/Authorized Representative (Institution)</u></b></p> 1.   ..... .....
Signature :..... Name:..... Occupation:..... Address:..... ..... .....	2.   ..... .....

I/We, the said transferee(s) do hereby agree to accept and take the said Unit Certificates subject to the same conditions on which they were held by the said transferor(s).

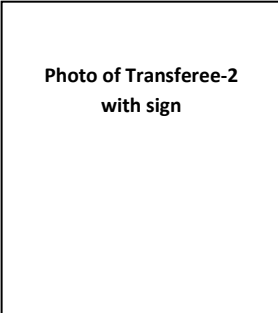
All payments in connection with or arising out of these Unit Certificates shall be payable in Bangladeshi Taka only including income distribution and or repurchase price. I/We declare that I/We am/are not a minor(s) and that I/we am/ are Bangladeshi National(s).



**Signature of Transferee (1) / Authorized Representative (Institution)**

<p><b>Witnesses :</b>  Signature :.....  Name:.....  Father's / Spouse's Name:.....  Mother's Name:.....  Occupation:.....  Address:.....  .....  .....</p>	<p>Transferee-1/Authorized Representative (Institution)  Signature :.....  Name:.....  Father's Name:.....  Spouse's Name:.....  Mother's Name:.....  Occupation/Description.....  Nationality:.....  Date of Birth/Date of incorporation:.....  National ID No./Registration No. (Ins).....  Passport No.....  e-TIN Certificate No.....  Birth Certificate No.....  Correspondence/Present Address:.....  .....  Permanent Address/Registered Address(Ins.):.....  .....  Telephone No. ....  Cell No.....  E.mail : .....</p> <p>Bank Details : A/C No .....</p> <p style="padding-left: 40px;">Bank Name .....</p> <p style="padding-left: 40px;">Branch .....</p> <p style="padding-left: 40px;">Routing No.....</p> <p style="padding-left: 40px;">Address .....</p>
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\_\_\_\_\_  
Specimen Signature of Transferee-1/  
Authorized Representative (Institution)



**Signature of Transferee (2) / Authorized Representative (Institution)**

<p><b><u>Witnesses :</u></b>          Signature :.....          Name:.....          Father’s /Spouse’s Name:.....          Mother’s Name:.....          Occupation:.....          Address:.....          .....          .....</p>	<p>Transferee-2/ Authorized Representative (Institution)          Signature :.....          Name:.....          Father’s Name:.....          Spouse’s Name:.....          Mother’s Name:.....          Occupation/Description.....          Nationality:.....          Date of Birth/Date of incorporation:.....          National ID No./Registration No. (Ins.).....          Passport No.....          e-TIN Certificate No.....          Birth Certificate No.....          Correspondence/Present Address:.....          .....          Permanent Address/Registered Address(Ins.):.....          .....          Telephone No. ....          Cell No.....          E.mail : .....</p>
---	--

\_\_\_\_\_  
 Specimen Signature of Transferee-2/  
 Authorized Representative (Institution)

**NOTES:**

1. Any Alternation in the Transfer Form must be confirmed by full signature of all the transferor(s) and the transferee(s).
2. Application by Institution, Charitable Organizations/Provident Fund/Trust Fund must be accompanied by the relevant document authorizing Transfer in units such as Extract of Board Resolution, Relevant document if Board Resolution is not required in favour of such Transfer in units.
3. Where the transferee is an Institution/Charitable Organization/Provident Fund Trust Fund, the Transfer Form must be accompanied by the relevant documents authorizing investment in the Unit Certificates such as Memorandum and Articles of the Company, Bye–Laws of the Society, a Resolution by the Board of Director/ Management Body and a Power of Attorney in favour of the person signing the Transfer Form.
4. Foreign nationals should ascertain their eligibility to hold Unit Certificates in the FIFTH ICB UNIT FUND before completion of this Transfer From.
5. Transfers will be effected on all working days except Thursday and book closer period declare by office.
6. Please indicate previous registration number, if any: Registration/B.O.No.....

7. Transferee may provide nominee information through submitting application of Nominee Form [ICB5 Unit. KA(1)] to authority.

8. If desired to get Certificate under Cumulative Investment Plan (CIP) in lieu of dividend please confirm.

YES	NO
-----	----

9. Occupation may be classified as under

- a. Civilian
- b. Govt. Salaried
- c. Non. Govt. Servants.
- d. Defense Personnel
- e. Professions: Legal, Medical and Engineering etc.
- f. Retired Personnel
- g. Businessmen
- h. Agriculturists


- i. House Wives
- j. Working Women
- k. Workers
- l. Student
- m. Bangladeshi Residing Abroad
- n. Foreign National
- o. Scientist
- p. Miscellaneous.


10. Type of Institution:      Local Company       Foreign Company       Trust       Society       Other

11. Documents enclosed

(i) For Individual:

- a. Tin Certificate
- b. Passport
- c. Electricity Bill
- d. Gas Bill
- e. Letter of Authority issued in favor of authorized person/signatory


- f. National ID
- g. Birth Certificate
- h. Water Bill
- i. Telephone Bill


(ii) For Others:

- a. Incorporation Certificate
- b. Society Registration Certificate
- c. Extract of the Board Resolution
- d. Letter of Authority issued in favor of authorized person/signatory


- e. Tin Certificate
- f. Trust deed
- g. Memorandum and Articles of Association
- h. Relevant Document if Board Resolution is not required


\_\_\_\_\_  
Signature(s) of Transferee(s) or Authorized Representative (Institution)

Received Unit Certificate duly transferred for.....Units mentioned overleaf.

\_\_\_\_\_  
Signature(s) of Transferee(s) or Authorized Representative

# FIFTH ICB UNIT FUND

ICB5 -GA

Asset Manager: **ICB Asset Management Company Ltd.**

(A Subsidiary of ICB)

## SURRENDER FORM

(Delete words not applicable, Please write clearly)

<b>(To be filled in by Issuing Office)</b>	
To	Repurchase No.
<b>(Issuing Office Stamp)</b>	Repurchase Date
	Registration/ BO No.
	Signature (s) Verified

To be filled in by the Applicant (s)

Date.....

I/We .....

Of .....

Being the Registered Holder(s) of.....Units at the rate of TK. .... Per Unit of **Fifth ICB Unit Fund** by Certificate(s) Number(s).....

.....  
 .....  
 .....

**Registration/BO Number:** ..... **Sale No.** .....

.....

..... **TR No.** ..... Hereby declare that I/We am/are no longer interested in the Units and surrender the related Certificate(s) for repurchase on the price ruling on the repurchase date for this surrender.

I/We desire payment in the form of..... Payable to A/C No .....  
 at ..... Bank ..... Branch and such Payment shall be accepted by me/us as full discharge in respect of the said Units.

**Witnesses**

1. Signature .....

Name .....

Father's/ Spouse's Name .....

Mother's Name .....

Occupation .....

Address .....

2. Signature .....

Name .....

Father's/ Spouse's Name.....

Mother's Name .....

Occupation .....

Address .....

1. \_\_\_\_\_  
**Signature of Principal Holder/  
 Authorized Representative (In the case of  
 Institution)**

2. \_\_\_\_\_  
**Signature of Joint Holder/  
 Authorized Representative (In the case of  
 Institution)**

READ NOTES ON REVERSE

**NOTES:**

1. The Repurchase Date in respect of any Surrender shall be all working days except **Thursday** and book closure period on which it is accepted and found to be in order by the Issuing Office, or if accepted on any other day the last working day of the week next following, if last working day of the week happens to be a holiday the repurchase will be done on the next working day.
2. Other Office will receive Surrender Forms for sending to the appropriate Issuing Office. Holders are advised that such repurchases may be delayed and they will be charged for any postage and other costs involved.
3. Payment will normally be made to the first named unit holder by **“A/C Payee only”** cheque. Payment required in any other form may involve the holder in further costs.
4. Application by Institution, Charitable Organization/Provident Fund/Trust Fund must be accompanied by the relevant document authorizing surrender in units such as Extract of Board Resolution, Letter of Authority issued in favour of Authorized person/signatory, A Power of Attorney in favour of the person signing the surrender Form, relevant document if Board Resolution is not required in favour of such surrender in units etc.
5. **MAKE SURE ALL CERTIFICATES TO BE SURRENDERED ARE ATTACHED TO THIS FORM.**

Received cheque/Pay order for TK. .... Cheque/pay order  
no.....Date.....Bank.....  
..... Branch ..... on account of  
repurchase value of ..... units as on overleaf.

---

**Signature of Unit Holder(s) /  
Authorized Representative (Institution)**

# CHAPTER -11

## VALUATION REPORT



### AHMED ZAKER & Co. CHARTERED ACCOUNTANTS



A MEMBER FIRM OF KINGSTON SOREL INTERNATIONAL, DEVONSHIRE HOUSE, 60 GOSWELL ROAD, LONDON EC1M 7AD

#### Valuation Report

5<sup>TH</sup> ICB Mutual Fund

##### Introduction

The 5<sup>TH</sup> ICB mutual fund was established in June 1987 under the Regulation 29A of ICB (General) Regulation with a total capital of Tk. 150,00,000 divided into 15,00,000 certificates of Tk. 10 each. The management of fund is vested with ICB.

The 5<sup>TH</sup> ICB Mutual Fund is a closed-end mutual fund under the regulation 29A of ICB (General) Regulation and suspended its trade on February 28, 2016. The objective of the fund were accelerating industrialization and economic development of the country through development of capital market by mobilizing savings and encouraging and improving the investment climate in the country with particular emphasis placed on broadening the base and scope of investments as well as tapping marginal investors. The objective also includes to provide regular dividend to the investors by investing the fund both in capital market and money market instrument. The fund was listed in both Dhaka stock exchange (DSE) and Chittagong stock exchange (CSE).

##### Objective of the Assignment

The main objective of the assignment is to determine the net asset value of the fund by applying directives of conversion of closed-end mutual fund to open-end mutual issued by the Bangladesh securities & exchange commission on 10 October 2013 & recognized accepted and realistic procedure of valuation methods on agreed date. The basic reason for valuation is to present a true and fair view of the assets and liability of the fund on the trade suspension date.

##### Cut-Off-Date

The cut-off-date of this valuation is February 28, 2016, the trade suspension date, when the trustee of the fund has taken control over the fund as per clause (5) of the conversion directives.

##### Method to be used

Our investigation included review and analysis of those information as well as discussion with the fund manager concerning the history and nature of the economic status and prospects and personal inspection of the fund assets and liabilities, which also included a review and analysis of the pertinent investment, current asset & current liability information. For the purpose of valuation, we have carried out the following work:

##### Investment in Securities

In valuing the investment in quote securities, the closing quoted market price on both Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) on the date of valuation is considered as basis of determining the market value of the securities. Fund had also little investment in the unquoted securities and valued at cost. In case of bad and loss investments were excluded from valuation. We could not verify the Valuation of investment in Delisted Companies since the Management Could not Produced us Necessary Documents and information.

HEAD OFFICE : ● 45, Shaheed Syed Nazrul Islam Sarani, Bijoynagar, Saiham Tower (2nd Floor), Dhaka-1000, Bangladesh.  
TEL:880-2-8391440-3, Fax : 880-2-8391011, E-mail : azcbangladesh@gmail.com, web : www.ahmed-zaker.com  
BRANCH OFFICE : ● 304, Sk. Mujib Road, Agrabad C/A, Chittagong. Tel : 880-31-712258, 728332



**Cash at Bank**

The reconciled balance with the outstanding lodgments and payments of all bank accounts is considered.

**Current Assets**

Confirm all type of current assets balances with the relevant supporting documents authenticated by the relevant authorities.

In valuing the current asset is recognized in accrual basis Accounts and the subsequent probability of realization is also considered.

**Current Liabilities**

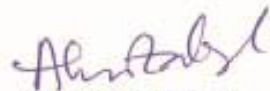
Confirm all type of current liabilities balances with the relevant supporting documents authenticated by the relevant authorities.

In valuing the current liabilities, confirm of the balance from the creditors is considered.

**Opinion**

In our opinion, based on our investigation, 5<sup>TH</sup> ICB Mutual Fund has Total Net Asset Value of Tk. 456,910,231 and Tk. 304.61 per unit as at February 28, 2016. The details calculation is presented in annexed valuation summary and notes 01 to 09.

Place: Dhaka  
Date: March 24, 2016

  
**Ahmed Zaker & Co.**  
Chartered accountants