

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

**PROSPECTUS**  
**(Abridged Version)**  
**CAPITEC GRAMEEN BANK GROWTH FUND**

**Total Issue**  
200,000,000 units of Tk. 10.00 each at par for Tk. 200.00 Crore  
**Sponsors' Contribution**  
100,000,000 units of Tk. 10.00 each at par for Tk. 100.00 Crore  
**Reserved for EIs (including CIs)**  
20,000,000 units of Tk. 10.00 each at par for Tk. 20.00 Crore  
**Reserved for Mutual Funds**  
5,000,000 units of Tk. 10.00 each at par for Tk. 5.00 Crore  
**Non-Resident Bangladeshis**  
5,000,000 units of Tk. 10.00 each at par for Tk. 5.00 Crore  
**Resident Bangladeshis**  
70,000,000 units of Tk. 10.00 each at par for Tk. 70.00 Crore

**Asset Manager:** Capitec Asset Management Limited  
**Sponsor:** Grameen Bank  
**Trustee & Custodian:** Investment Corporation of Bangladesh (ICB)

This Offer Document sets forth concisely the information about the Fund that a prospective investor ought to know before investing. This Offer Document should be read before making an application for the Units and should be retained for future reference. Investing in the **CAPITEC GRAMEEN BANK GROWTH FUND** (hereinafter the Fund) bears certain risks that investors should carefully consider before investing in the Fund. Investment in the capital market and in the Fund bears certain risks that are normally associated with making investments in securities including loss of the principal amount invested. There can be no assurance that the Fund will achieve its investment objectives. The Fund value can be volatile, and no assurance can be given that investors will receive the amount originally invested. When investing in the Fund, investors should carefully consider the risk factors outlined in the document.

**Subscription**

**Opening Date for Subscription**

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**Closing Date for Subscription**

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**Date of Publication of Prospectus:** \*\*\*\*\*

"কৃষিক্ষেত্রের উন্নয়নকে গুরুত্ব দিয়ে গ্রামাঞ্চলের উন্নয়ন।"

The investors are requested, in their own interest, to carefully read the Prospectus, in particular the risk factors, before making any investment decision.



Name(s), address(s), telephone number(s), web address(s), e-mail(s), fax number(s) and contact persons of the Sponsor(s), Trustee, Custodian, Asset Manager, auditor, and banker, where applicable:

<b>Sponsor</b>		
<b>Name and Address</b>	<b>Telephone &amp; Fax Number, E-Mail, Web Address</b>	<b>Contact Person</b>
<b>Grameen Bank</b> Head Office Mirpur-2, Dhaka - 1216, Bangladesh	Contact Number: +880258055628, +880258055652 Website: <a href="https://grameenbank.org">https://grameenbank.org</a> Email Address: <a href="mailto:mdsecretariat@grameen.com">mdsecretariat@grameen.com</a> , <a href="mailto:g_iprog@grameen.com">g_iprog@grameen.com</a>	<b>Mr. Md. Mosleh Uddin</b> Managing Director
<b>Trustee &amp; Custodian</b>		
<b>Investment Corporation of Bangladesh (ICB)</b> BDBL Bhaban, 8, Rajuk Avenue, Dhaka - 1000, Bangladesh	Phone: 02223383495 Fax: 880-2-9563313 Website: <a href="http://www.icb.gov.bd">http://www.icb.gov.bd</a> E-mail: <a href="mailto:icb@agni.com">icb@agni.com</a>	<b>Mr. Md. Abul Hossain</b> Managing Director
<b>Asset Manager</b>		
<b>Capitec Asset Management Limited</b> Padma Life Tower 10th Floor (Lift 9), 115, Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka – 1000, Bangladesh	Phone: +88-02-222226789 Mobile: +88-01704-188508 Website: <a href="http://www.capitecbd.com">www.capitecbd.com</a> Email: <a href="mailto:info@capitecbd.com">info@capitecbd.com</a>	<b>M Mahfuzur Rahman</b> Managing Director
<b>Auditor</b>		
<b>MABS and J Partners, Chartered Accountants</b> SMC Tower (7th Floor), 33 Banani C/A, Road #17, Dhaka - 1213, Bangladesh	Contact Number: +88 02 222275057-58 +88 02 222275365-66 Email: <a href="mailto:info@mabsj.com">info@mabsj.com</a> Website: <a href="https://mabsj.com">https://mabsj.com</a>	<b>Mr. Md. Shahadat Hossain FCA</b> Senior Partner
<b>Banker</b>		
<b>The City Bank Limited</b> Head Office: City Bank Center 136, Gulshan Avenue, Gulshan-2 Dhaka-1212, Bangladesh	Contact Numbers: 02 58813126 +88-01713-187702 Fax: 02 9884446 Website: <a href="https://www.thecitybank.com">https://www.thecitybank.com</a>	<b>Mr. Chowdhury Nayeem Nawaz</b> AVP & Senior Relationship Manager



FUND HIGHLIGHTS		
01.	Name	Capitec Grameen Bank Growth Fund
02.	Type	Close-End Mutual Fund
03.	Size of the Fund	Tk. 200.00 (Two Hundred) Crores only divided into 200,000,000 units at par value of Tk. 10.00 each.
04.	Sponsor	Grameen Bank
05.	Trustee & Custodian	Investment Corporation of Bangladesh (ICB)
06.	Asset Manager	Capitec Asset Management Limited
07.	Face Value	Tk. 10.00 (Ten) per unit
08.	Nature	Close-End Mutual Fund of 10 (Ten) years tenure. The Fund may be redeemed on its pre-determined maturity at the end of the tenth year, but the Fund can be converted into the Open-End Scheme by taking the acceptance proposal of conversion as per BSEC rule and subject to approval of the Commission.
09.	Objective	The objective of the Capitec Grameen Bank Growth Fund is to generate risk adjusted return in the forms of capital appreciation, dividend income and to provide attractive dividend payments to the unit holders by investing the fund in authorized instruments of capital market and money market.
10.	Prospective Investors	Individuals, Institutions, Non-resident Bangladeshi (NRB), Mutual Funds and Collective Investment Schemes are eligible to invest in this Fund.
11.	Dividend Policy	<p>The Fund as soon as may be, after the closing of the annual accounts, declare and distribute dividend if any, to the unit holders in accordance with the বিধিমালা।</p> <p>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 by suitable appropriation from the income of the Fund to ensure consistency in dividend.</p>
12.	Mode of Distribution of Dividend	The dividend shall be distributed within 45 (Forty-Five) days from the date of declaration.
13.	Transferability	Units are transferable. The transfer shall be made by the CDBL under electronic settlement process.
14.	Encashment	The Fund shall be listed with Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange PLC. So, investment in this Fund shall easily be en-cashable.
15.	Tax Benefit	<p>Income shall be tax free up to a certain level, which is permitted as per Income Tax Ordinance 1984.</p> <p>Investment in the Fund would qualify for investment tax credit under section 44(2) of the Income Tax Ordinance 1984.</p> <p>Gain Tax is fully exempted according to SRO no. 196-Law/Income tax/2015 dated 30 June 2015 of National Board of Revenue.</p>
16.	Report & Accounts	Every unit holder is entitled to receive Annual Report together with the yearly and half-yearly statements of accounts as and when published.

THE SPONSOR, ASSET MANAGEMENT COMPANY OR THE FUND IS NOT GUARANTEEING ANY RETURNS.



## 1. PRELIMINARY

### 1.1 PUBLICATION OF PROSPECTUS FOR PUBLIC OFFERING

Capitec Asset Management Limited has received Registration Certificate from the Bangladesh Securities and Exchange Commission (BSEC) under the বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন আইন, ১৯৯৩ and the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ made there under and received approval for issuing Prospectus for public offering. A complete copy of the Prospectus of the public offering is available for public inspection at the registered office of the Fund.

### 1.2 APPROVAL OF THE 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 সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১. 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

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

"None of the Stock Exchange(s), if for any reason, grants listing within **20 (Twenty)** working days from the closure of subscription, any allotment in terms of this Prospectus shall be void and the Asset Manager shall refund the subscription money within **15 (Fifteen)** days from the date of refusal for listing by the Stock Exchange(s), or from the date of expiry of the said **20 (Twenty)** working days, as the case may be. In case of non-refund of the subscription money within the aforesaid **15 (Fifteen)** days, the Asset Manager, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of **2% (Two percent)** above the bank rate, to the subscribers concerned.

The Asset Manager, in addition to the Sponsor and Trustee, shall ensure due compliance of the above-mentioned conditions and shall submit compliance report thereon to the Commission within **07 (Seven)** days of expiry of the aforesaid **15 (Fifteen)** days' time allowed for refund of the subscription money.

The stock exchanges shall complete the listing procedure and start of trading of securities within **20 (Twenty)** working days from the closure of subscription."

### 1.4 DOCUMENTS AVAILABLE FOR INSPECTION

- (01) Copy of this Prospectus shall be available at the Members of the Stock Exchanges, website, and the registered office of the Capitec Asset Management Limited ([www.capitecbd.com](http://www.capitecbd.com)) and available at the website of Bangladesh Securities and Exchange Commission ([www.bsec.gov.bd](http://www.bsec.gov.bd)).
- (02) Copy of the Trust Deed and Investment Management Agreement will be available for the public to be inspected during the business hours at the Corporate Office of the Asset Management Company of the Fund.

### 1.5 DECLARATIONS AND DUE DILIGENCE CERTIFICATE

#### **Declaration of responsibilities**

Declaration about the responsibilities of the all parties (Sponsor, Trustee, Custodian & Asset manager) of CAPITEC GRAMEEN BANK GROWTH FUND is available in full version of prospectus of the fund.



## Due diligence certificate

Due diligence certificate of the Sponsor, Trustee, Custodian & Asset manager of CAPITEC GRAMEEN BANK GROWTH FUND is available in full version of prospectus of the fund.

## 2. BACKGROUND

### 2.1 Formation of CAPITEC GRAMEEN BANK GROWTH FUND

A closed-end fund is a type of professionally managed fund having a defined portfolio based on a fixed number of shares issued at an initial public offering, listed on the exchange for trading in the secondary market, and are not redeemable from the funds. By investing in a fund, the investors gain access to a thoroughly researched and professionally managed capital market portfolio, thereby increasing their diversity and reducing the overall risk associated with the capital market investments. Such funds allow the small investor to reap the benefits of a large diversified and professionally managed portfolio.

Bangladesh's robust economic recovery from the COVID-19 pandemic has been interrupted by the war in Russia-Ukraine, resultant supply-chain disruptions, global oil-and food-price spikes, slowdown in external demand, weak remittance inflow, rise in inflation, negative current account balance, depreciation of the Taka and a decline in foreign exchange reserves. To overcome the pressure, the government took quick and decisive measures to address the economic fallout.

According to the latest available data indicate that the agriculture sector employed about 39 per cent of Bangladesh's labor force and accounted for about 11.61 per cent of GDP in FY22. The favorable natural factors and strong government support in terms of timely availability of inputs and finance notwithstanding, the sector achieved a lower growth rate of 3.05 per cent in FY22 than in FY21 when the sector grew at 3.17 per cent.

Due to COVID-19 pandemic and the war in Russia-Ukraine, the industrial sector registered a lower growth of 9.86 per cent in FY22, which was 10.29 per cent in FY21. Besides, the share of the industry sector in GDP increased by 0.91 percentage points to 36.92 per cent in FY22 from 36.01 per cent in FY21. In the broad industry sector, the manufacturing sub-sector registered a growth of 11.41 per cent in FY22, compared to 11.59 per cent of the previous fiscal year. Within manufacturing, the large industry sub-sector performed comparatively better than it did in the previous fiscal, growing at 15.68 per cent in FY22, compared to 10.61 per cent in FY21. The small, medium and micro industry grew at 4.84 per cent in FY22 against 13.89 per cent in FY21. The cottage industry grew by 11.12 per cent in FY22 compared to 10.27 per cent in FY21.

Broad money (M2) recorded a lower growth of 8.47 percent at the end of December 2022 compared to 9.60 percent growth achieved at the end of December 2021. The December's growth was also below the central bank's target of 10.00 per cent, set in the Monetary Policy Statement, Fiscal Year 2022-23. Domestic credit, on the other hand, grew by 14.98 per cent at the end of December 2022, while a lower growth rate of 12.37 per cent was recorded at the end of December 2021. Among components of domestic credit, private sector credit registered a higher growth of 12.89 per cent during the period between December 2021 and December 2022, compared with a lower growth of 10.68 per cent during the period between December 2020 and December 2021. Private sector credit growth was also below the central bank's target of 13.60 per cent in December 2022. Public sector credit, on the other hand, recorded a growth of 24.80 per cent at the end of December 2022, compared with a lower growth of 21.00 per cent at the end of December 2021. The December's growth was much lower compared with the BB's target of 32.30 per cent in December 2022.



The interest rate spread between the weighted average interest rate on lending and deposits of all banks inched up to 2.99 per cent in December 2022 from 2.96 per cent in the previous month (November 2022) as banks' lending rate increased to 7.22 per cent in December from 7.18 per cent in November 2022 and deposit rate also increased to 4.23 per cent in December 2022 from 4.22 per cent in the previous month.

Dhaka stocks gained on 29 December 2022, the last trading session in 2022, as a section of investors went for buying

shares while many others remained cautious on the trading floor. DSEX, the key index of the Dhaka Stock Exchange (DSE), gained 0.18 per cent to close at 6,206.81 points on the day after gaining 15.54 points in the previous session. The Chittagong Stock Exchange (CSE) also inched up with the CSE All Share Price Index (CASPI) gaining 1.0 points to settle at 18,328.

Export earnings in December 2022 grew by 9.33 per cent to US\$5.37 billion year-on-year from US\$4.91 billion. Earnings in December 2022, however, were lower by 1.03 per cent from the strategic target of US\$5.42 billion. Overall export earnings in July-December of FY23 increased by 10.58 per cent to US\$27.31 billion from US\$24.70 billion in the corresponding six months of the previous fiscal year. Earnings in July-December of FY23 also surpassed marginally by 0.44 per cent against the strategic target (US\$27.19 billion).

The inflow of remittances increased year-on-year by 9.99 per cent to US\$1.79 billion in December 2022 from US\$1.63 billion and month-on-month increased by 12.48 per cent from US\$1.60 billion. On the other hand, the inflow of remittances in July-December of FY23 increased by 3.40 per cent to US\$10.59 billion from US\$10.24 billion in the correspondent period in FY22.

The country's trade deficit with the rest of the world narrowed by 21.69 per cent to US\$12.30 billion in July-December of FY23 from US\$15.71 billion in July-December of FY22 due mainly to slower growth in import than that of export. Import restrictions come to the rescue as current account deficit decreased by 36.48 per cent to US\$5.27 billion from US\$8.30 billion.

Foreign exchange reserve came down to US\$33.77 billion at the end of December 2022 from US\$46.15 billion at the end of December 2021. The ACU liability as of end December 2022 was US\$1.12 billion. The foreign exchange reserve in December 2022 was sufficient to pay import bills of goods for 5.5 months.

Monthly inflation dropped further in December 2022 to 8.71 per cent after reaching its peak at 9.52 per cent in August 2022 and 8.85 per cent in November 2022, under sobering impact of slowly improving global supply system and prices of food items, especially that of vegetables, eased marginally. A year ago, in December 2021, the inflation rate was lower at 6.05 per cent.

Source: 'Review of Economic Situation in Bangladesh October - December 2022 (Q2 of FY23)', MCCI

Mutual fund industry in Bangladesh still is in a very early stage of development when the economy of the country is racing in excellent pace. Investment Corporation of Bangladesh (ICB), a public sector financial institution, first introduced Mutual Fund in Bangladesh around 1980. Since then, a substantial number of asset management companies got license and forming the mutual fund industry. According to the latest BSEC data, 58 registered Asset management companies in the countries are managing 121 mutual funds in total. Among them, there are 36 close end and 85 open end funds floating in the market. The total



assets under management (AUM) of closed-end mutual funds are 57 billion and Market Capitalization is 37 billion which is far below from the neighboring country.

Mutual Funds' contribution is bigger than other securities in developed countries. Keeping in view the situation, Grameen Bank is sponsoring a Close-end Mutual Fund namely "CAPITEC GRAMEEN BANK GROWTH FUND" aiming to long-term development and increase the supply of liquidity to the capital market and providing investment alternative for the existing retails investors in Bangladesh. It will also encourage new investors to join in and enjoy the returns of the capital market with minimal risk. Investment Corporation of Bangladesh will be the Trustee and Custodian of the Fund whereas Capitec Asset Management Limited will act as the Asset Manager.

In Bangladesh, with the aim of accelerating the Mutual Fund industry and Capital Market of Bangladesh, Capitec Asset Management Limited is managing 03 (Three) Open-End Mutual Funds. At the inception period, the Asset Under Management (AUM) of the abovementioned funds together was BDT. 10 Crore (Approx.) which has now increased to approximately BDT. 104 Crore because of consistent effort, professionalism, and efficiency of the management. The funds have been consistently providing dividends despite a critical pandemic worldwide, where the global economy was halted. From the funds' inception period, the company generated 33.50%, 43.40%, and 17.90% returns respectively from Capitec Padma P.F. Shariah Unit Fund, Capitec Popular Life Unit Fund, and Capitec-IBBL Shariah Unit Fund.

Dividend History of Open-End Mutual Funds managed by Capitec Asset Management Limited:

Fund Name	Year Closing	Dividend (%)
Capitec Padma P.F. Shariah Unit Fund	2021-2022	12.50%
	2020-2021	7.00%
	2019-2020	5.00%
	2018-2019	3.00% (Few Months Operation)
Capitec Popular Life Unit Fund	2021-2022	15.00%
	2020-2021	15.00%
	2019-2020	2.00% (Few Months Operation)
Capitec-IBBL Shariah Unit Fund	2022	10.00%
	2021	10.00% (10 Months Operation)

## 2.2 Present context formation of the proposed mutual fund

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. Over the past decade, mutual funds have become the investors' vehicle of choice for long-term investing. A Mutual Fund pools the savings of a number of investors who share a common financial goal. Mutual Fund is one of the most preferred investment alternatives for the risk avert investors as it offers chance to invest in a diversified, professionally handled portfolio at low cost. With emphasis on increase in domestic savings and increase in investment through capital market, the need and scope for mutual fund operation has increased tremendously. Growth and developments of various mutual fund products has demonstrated to be one of the most important instruments in generating significant growth in Bangladesh capital market. A mutual fund invests the money in stocks, bonds, short-term money-market instruments, other securities or assets, or some combination of these investments.



Mutual funds have emerged as the best in terms of variety, flexibility, diversification, liquidity as well as tax benefits. Besides, through mutual funds investors can gain access to wide range of investment opportunities that would otherwise be unavailable to them due to limited knowledge and resources. Mutual funds have the capability to provide solutions to most investors' needs, however, the key is to do proper selection and have a process for monitoring and controlling. In Bangladesh, the mutual fund industry is at a growing stage and it is expected to incorporate a higher number of new funds each year. For broadening the depth of the capital market, it is necessary to float more mutual funds, since these are good instruments of mobilizing savings and providing investment opportunities to small savers.

Bangladesh is expected to register significant growth and some of the sectors and companies within are likely to be beneficiary of this growth, as well. In this backdrop, this is perhaps more suitable time to invest in the leading growth potential sectors/industries of Bangladesh. The idea of mutual fund is to help transform the capital market from a speculative hub to a savings hub.

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 in investing In CAPITEC GRAMEEN BANK GROWTH FUND

Generally investment in Mutual Funds enjoys the some advantages compared to investment made directly in other securities of the capital market. Investors of this Mutual Fund should be able to enjoy the following advantages:

1. Diversified portfolio to be developed for the Fund shall help in lowering investment risk of the small investors.
2. Diversified portfolio of the Fund shall help the small investor to access to the whole market, which is difficult at individual level.
3. By channelizing small investors saving both in local currency and foreign currency shall add liquidity to the market.
4. 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.
5. The Mutual Fund industry gives investors more and better information than any other investment industry.
6. Expertise in stock selection and timing is made available to investors by generating higher return to them.
7. The investors shall be able to save a great deal in transaction/operating cost as he/she has access to a larger number of securities by purchasing a single unit of the Mutual Fund.
8. Fund shall apply for listing on stock exchanges to enable investors to enjoy liquidity of their investment as well as to realize appreciation available as a result improving market positions.
9. According to the rules of BSEC, the Mutual Funds and collective investment schemes registered with the Commission enjoy a five 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.
10. Tax exemption is available for investors of Mutual Fund. Income from the Fund shall be tax free up-to certain level, which is permitted as per Finance Act.



11. Investment in the Fund would qualify for investment tax credit under section 44(2) of the Income Tax Ordinance, 1984.
12. 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.

### 3. INVESTMENT OBJECTIVES AND POLICIES

#### 3.1 Investment Objective

The objective of the Capitec Grameen Bank Growth Fund is to generate risk adjusted return in the forms of capital appreciation, dividend income and to provide attractive dividend payments to the unit holders by investing the authorized instruments of capital market and money market.

#### 3.2 Investment Policy

- 3.2.1 Subject to other provisions of the Rules, the fund may invest only in-
  - a) Securities listed with a stock exchange;
  - b) Money market instruments including government securities;
  - c) Privately placed bonds, debenture and pre-IPO capital of entities with explicit plan to be listed with a stock exchange within two years from the date of the investments;
  - d) Securitized debt instruments, which are either asset backed or mortgage backed securities;
  - e) Open-end mutual funds approved by the Commission.
- 3.2.2 Not more than 70% (Seventy percent) of the total assets of the Fund shall be invested in capital market instruments. Of this, at least 50% (fifty percent) percent shall be invested in listed securities that are actively traded in stock exchanges. Investment in Government Securities shall not be considered as an exposure to capital market instruments.
- 3.2.3 Not less than 30% (thirty percent) of the total asset of the Fund shall be invested in fixed income securities including Government Securities.
- 3.2.4 Not more than 10% (Ten Percent) of the total asset of the Fund shall be invested in the non-listed securities at any particular date. In case of investment in non-listed corporate bonds or pre-IPO capital, the asset manager shall obtain prior approval from the Commission.
- 3.2.5 Money collected under this fund shall be invested in accordance with this trust deed and investment management agreement of the fund and applicable rules, regulations, and standards.
- 3.2.6 The Fund shall get the securities purchased/ transferred in the name of the Fund.
- 3.2.7 Only the Asset Management Company will make the investment decision and place orders for securities to be purchased or sold for the scheme's portfolio.
- 3.2.8 Non-listed securities that enjoy an "Investment-grade" credit rating by a recognized credit rating agency are eligible for investment by a mutual fund. **The fund can invest in unlisted corporate securities only after a prior approval of the Commission.**
- 3.2.9 The Asset Management Company shall choose broker(s) for the purchase and sale of securities and Bank(s)/NBFI(s) to do FDR for the fund's portfolio.
- 3.2.10 Settlement of transactions shall take place as per the customs and practice of the relevant laws.

#### 3.3 Investment Restrictions

- (01) The Fund shall not invest in more than 10% (ten percent) of paid up capital (or other securities such as bond or debenture) issued by any company.



- (02) The Fund shall not invest more than 10% (ten percent) of its total assets in shares, debenture or other securities of a single company or a group of companies under the control of a parent company. This condition shall not be applicable in case of investments in government securities.
- (03) The Fund shall not invest more than 25% (twenty-five percent) of its total assets in shares, debentures or other securities in any one industry.
- (04) The Asset Management Company (AMC) shall not do, for the purpose of inducing, dissuading, effecting, preventing, or in any manner influencing or framing to its advantage, the sale or purchase of any security, directly or indirectly,
  - a. create a false and misleading appearance of active trading in any security;
  - b. effect any transaction in securities between mutual funds under the control of an Asset Management Company shall happen as per the rules;
  - c. directly or indirectly effect a series of transactions in any security creating the appearance of actively trading therein or of raising of price for the purpose inducing its purchase by others or depressing its price for the purpose of inducing its sale by others;
- (05) A mutual fund shall not, under any circumstance, trade in units of mutual funds, schemes of mutual funds, under the control of 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 বিধিমালা.
- (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, under any circumstance, trade in units of mutual funds, schemes of mutual funds, under the control of the same Asset Management Company.

#### 4. RISK MANAGEMENT

##### 4.1 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 objective 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 a very thin secondary bond market in Bangladesh, it would be difficult for the Fund Manager to swap between asset classes if and when required.
- (05) Limited money market instruments narrowed the opportunity of short term or temporary investments of the Fund.



- (06) 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 units of the Fund shall fully reflect their underlying net asset values.
- (07) If the companies fail to provide expected dividend, this may affect the return of the Fund.
- (08) For investing in Pre-Public Offer Placement securities i.e. in unlisted equity securities by the Fund may involve liquidity risk.
- (09) Uncertainties like political and social instability may affect the value of the Fund's Assets.
- (10) Government policy and tax laws may change, affecting the return on investment in Units.
- (11) Adverse effect of the economic crisis of the international community on the Capital Market of Bangladesh may affect the performance of the Fund.
- (12) Adverse natural climatic condition may hamper the performance of the Fund.

#### 4.2 Who to invest and how much to invest

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.

### 5. FORMATION, MANAGEMENT AND ADMINISTRATION

#### 5.1 Sponsor of the Fund

**Grameen Bank**, a specialized bank, was established under the Grameen Bank Ordinance No. XLVI of 1983 (replaced by Grameen Bank Act, 2013) operating to alleviate poverty through financial services, especially by providing micro-credit. Empowering the rural poor is the basic objective of the Bank. Grameen Bank shall act as the Sponsor of the Fund. Government of Bangladesh owns 24% of the Bank and the rest 76% is held by the micro-credit borrowers/members of the bank. The Government nominates three directors including the Chairman and nine other directors are elected representatives from among the Grameen borrowers.

#### 5.2 Trustee of the Fund

**Investment Corporation of Bangladesh (ICB)** would act as the Trustee of the CAPITEC GRAMEEN BANK GROWTH 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.

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. 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.



### 5.3 Asset Manager of the Fund

Capitec Asset Management Ltd is a privately-owned Asset Management Company (AMC) based in Dhaka. The AMC license was issued in 2017 by the Bangladesh Securities and Exchange Commission (BSEC). Currently, the company has a team of professionals with decades of experience in national and international markets. Capitec Asset Management Ltd innovates and creates new investment solutions for their clients. Main aim is to manage risk and uncertainty to deliver resilient investment outcomes. Capitec has a team of highly expert investment professionals which is leading by the dynamic directors with combined experience of more than 15 years in both internationally and local investment industry. Senior management is supported by a team of portfolio managers, equity research and data analysts, and finance, operations and compliance team. Capitec follow a thorough and structured investment process, based on top down macro-economic, market and sector research in parallel with company specific bottom-up research, company management interviews and fundamental analysis.

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

#### **Mr. Hasan Rahman, Founder & Chairman**

Mr. Hasan Rahman is the founder & Chairman of Capitec Asset Management Ltd, licensed by Bangladesh Securities and Exchange Commission. Mr. Rahman has near about seventeen years of diverse hands on experience in HRM, Business Administration, Finance & Accounts, Capital Market Operations, Financial Products, Corporate Training programs and workshops both locally and internationally. With his years of experience in financial market and organizations around the world, he founded Capitec to bring very professionally managed funds for the local clients and companies. Mr. Hasan Rahman has successfully introduced Insurance Agent Training Program for the first time in Bangladesh by convincing Insurance Development & Regulatory Authority (IDRA) to strengthen the insurance companies in Bangladeshi market. He is also the Director of Experts Academy Ltd; prominent professional training center, which serves financial institutions, companies and individuals. Apart from those Mr. Rahman has several investments in Information Technology, Print Media and so-forth. Mr. Rahman completed higher degrees from abroad.

#### **Mr. M. Mahfuzur Rahman, Managing Director**

Mr. M. Mahfuzur Rahman was the former Executive Director and Spokesperson for Bangladesh Bank as well as the Deputy Head of BFIU. During his long career, he earned wide experiences in the commercial banking sector. He had signed MOU on money laundering and combating financing of terrorism as a representative of Bangladesh with nine countries. He led different teams of Bangladeshi representatives in eighteen International Conferences and participated in meetings in different countries. To enhance remittance inflow, he has participated twenty-one separate dialogues as Principal Guest/Special Guest held in twelve different countries. He is an award-winning acclaimed writer, and currently working in Capitec for the development of capital market in Bangladesh.

#### **Mr. Ishtiaque Ahmed Chowdhury, Advisor**

Mr. Chowdhury had served as a Managing Director & CEO of Trust Bank Limited for two terms. Currently, he is the Managing Director of Experts Academy Ltd; prominent private training center of the country. After completing higher studies, Mr. Chowdhury began his banking career as Probationary Officer in Rupali Bank in the year 1977. He switched over to Arab Bangladesh Bank Ltd. in the year 1984 as Senior Officer



and worked there till September 2002. Prior to that joining Trust Bank Limited, Mr. Chowdhury was Executive Vice President & Regional Manager of four mid-city branches of The Oriental Bank Limited, which subsequently renamed as ICB Islamic Bank Ltd. He joined Trust Bank on October 2003 as Senior Executive Vice President. Over the last 29 years, Mr. Chowdhury's career evolved as a well-rounded banker with adequate exposure in Strategic Risk Management, Revenue Growth, Client Acquisition, and Operations Management. Mr. Chowdhury has participated in a good number of professional trainings, workshops, and seminars at home and abroad. He has involved with different renowned society, club and association to work for the development of Bangladesh.

**Mr. Sumit Paul, Chief Operating Officer (COO) and Chief Compliance Officer (CCO)**

Mr. Sumit Paul is an experienced finance professional currently serving as the Chief Operating Officer (COO) at Capitec Asset Management Limited. He is also a key member of the Investment Committee of CAPITEC, where he plays an important role in driving investment decisions and managing portfolios. Prior to joining CAPITEC, Mr. Paul worked in another renowned Asset Management Company for more than 8 years in various important roles. During his career, he has gained professional experience of almost eleven years in the areas of Equity and Debt Market, Fund Operations in AMC. He has also launched and managed several Close-end Mutual Funds, Open-end Unit Funds and Provident Funds. Mr. Paul holds a Master of Business Administration (MBA) in Finance and a Bachelor of Business Administration (BBA) in Finance and Accounts. His academic credentials have provided him with a strong foundation in the principles of finance and accounting, which he has applied throughout his career. In addition to his academic qualifications, Mr. Paul has participated in various professional training programs focused on Asset Management, Portfolio Management & Security Analysis, Venture Capital, Negotiation Skills Development, Money Laundering Prevention Act & Anti-Terrorism Act, and Tax & Vat. These training programs were offered by well-respected institutions such as BICM, Experts Academy Limited, Light Castle, CDBL, and DSE Training Institute.

**Mr. Md. Raju Ahmed, Chief Investment Officer (CIO)**

Mr. Md. Raju Ahmed has more than 13 years of experience in the capital market of Bangladesh. Prior to joining in Capitec Asset Management Limited, he was the Assistant Manager of another Asset Management Company. He started his career at Brokerage House and worked there for six years. He has diversified experience in Portfolio Management, Securities Analysis, Technical Analysis and Operations of AMC. He has also attended numerous training programs and seminars related to the capital market including Portfolio Management & Securities Analysis, Technical Analysis, Securities Laws of Bangladesh, Investors Awareness program, Financial Statement Analysis, Financial Modeling from PFS and Certified Authorized Representative from Dhaka Stock Exchange.

**Kazal Saha, Senior Assistant Manager (Accounts Department)**

Mr. Kazal Saha is the Senior Assistant Manager in Accounts Department at Capitec Asset Management Ltd. He has been working in the financial industry and Non-Government Organizations for over four years in the field of Accounts, Financial Management, Budgeting Monitoring and Controlling, Strategic Planning, etc. He completed his B.B.S with Honours and M.B.S in Accounting with outstanding academic performance. Mr. Kazal completed his CA (CC) course under the Institute of Chartered Accountants of Bangladesh (ICAB). Apart from academic credentials, Mr. Kazal has participated in different professional



training programs at different levels in the area of Corporate Accounting, Financial Accounting, Management Accounting and Control, Income Tax, Value Added Tax, Organization Leadership, etc.

**Md. Monzur-E-Rahman, Assistant Manager (Admin & Operations)**

Md. Monzur-E-Rahman serving as Assistant Manager in Admin & Operations of Capitec Asset Management Limited. He has more than 5 years of experience in the financial sector. Before joining Capitec he worked as an Associate in the Fund Operations Department of an other Asset Management Company for one and a half years. Where he had experience in the operation of mutual funds. Mr. Monzur completed his Master of Business Administration (MBA) and started his career at Credit Rating Agency as a Rating Analyst in 2018. He has participated in numerous seminars and training programs related to the capital market & money market.

**Kazi Fahim Shahriar, Assistant Manager (Investment Department)**

Kazi Fahim Shahriar is associated with Capitec Asset Management Limited as an Assistant Manager in the Investment Department. He is responsible for continuously assessing investment risk, conducting sector, industry, and local-global economic analysis, executing in-depth equity valuation under the valuation model, and preparing equity notes. He also performs research and analyzes assets, such as stocks, bonds, currencies, money market instruments, and commodities, and conducts advanced technical and fundamental analysis. He completed the Bachelor of Business Administration (BBA) program with an academic honor of distinction of Magna Cum Laude from the Department of Business Administration, majoring in Finance. He started his career as an Investment Analyst at Capitec Asset Management Limited and prior to that he completed an internship program at a renowned Bank in Group Finance Division.

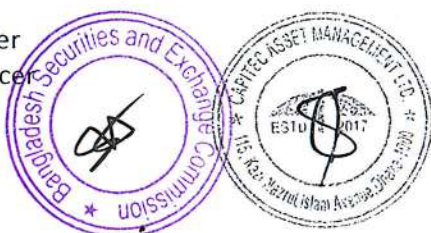
**5.4 Custodian of the Fund**

**Investment Corporation of Bangladesh (ICB)** would act as the Custodian of the Capitec Grameen Bank Growth Fund. The Corporation has long and proven experience in portfolio management Supervisory function, particularly in buying and selling of shares, corporate restructuring and engineering, offloading 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 plays 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.

**5.5 Investment Committee (IC)**

The Investment Committee (IC) approved by the Board of Directors (BoD) of Capitec Asset Management Limited is responsible for achieving the objectives of the undertaken funds by understanding the relationship between the fund disbursement and the investment policy as instructed by the BSEC, Trust Deed, সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউক্সাল ফান্ড) বিধিমালা, ২০০১& other rules and regulations as imposed by competent authorities. The IC shall perform the function as declared in investment policy and guideline. Along with making decisions for the best asset allocation method, IC is liable for monitoring and managing the portfolio for compliance with the fund's investment guiding principles. IC of AMC is consisted with the following:

1. Managing Director
2. Chief Operating Officer
3. Chief Investment Officer



## 5.6 Auditors

MABS and J Partners, 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.

## 6. FINANCIAL CHARGES

### 6.1 Limitation of Expenses

- (01) An Asset Management Company shall be entitled to asset management fees which will be calculated once a week on the basis of net asset value (NAV) at fair value of a mutual fund at the end of each quarter of a financial year and according to rates as per the Rules.
- (02) The Asset management fees shall be payable on a quarterly basis.
- (03) The AMC shall also be eligible to charge the following additional expenses against a mutual fund in addition to the asset management fees as defined in Rule 65(2):
- The initial issue costs shall be amortized within a maximum period of 05 (five) years.
  - The Trustee shall be paid an annual Trusteeship fee shall not exceed @0.10% of the Net Asset value (NAV) at Fair Value of the Fund on a semi-annual basis, during the life of the Fund.
  - The fees for Custodian services shall not exceed 0.10% per annum of the fair value of securities (both listed and non-listed) held by the Fund, to be calculated and paid on a semiannual-annual basis.
  - Bank charges.
  - Annual fees payable to the Commission as per the Rule (11).
  - CDBL Fees.
  - Listing fees.
  - Audit Fees.
  - Costs for publication of reports and periodicals specifically related to the Fund.
  - Valid expense for organizing a unit holders' meeting in compliance with the Mutual Fund Rules-2001.
- (04) Legal expenses of the AMC shall not be a charge against income of the Fund.
- (05) The AMC shall not charge transaction costs (including brokerage commission) as an expense in the statement of profit or loss and other comprehensive income.
- (06) At initial recognition, The AMC shall measure a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Likewise, an AMC shall recognize a sale of a financial asset at net realized value, that is, the selling price net of transaction costs.
- (07) Total operating expense, excluding amortization of initial issue costs and provision for diminution in the fair value of investments, of a mutual fund, a scheme of a fund, shall not exceed 4 (four) percent of net asset value (NAV) at fair value of the Fund.



## 6.2 Fees and Expenses

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

Keeping in mind, the Fund size of Tk. 2,000,000,000 (Two hundred crore) only, Capitec Asset Management Limited has estimated the normal annual operating expenses of the Fund, which shall not exceed 4% of the average NAV of the Fund. If the Asset Manager may appoint any Selling Agent for the Fund, after that the above-mentioned highest limit of expenses may not be violated. However, there may be variation in the actual operating expenses of the Fund.

## 7. CAPITAL STRUCTURE, TAX STATUS AND RIGHTS OF UNIT HOLDERS

### 7.1 Issue of units

The paid-up capital of the Fund shall be Tk. 2,000,000,000 (Two hundred crore) only divided into 200,000,000 units of Tk. 10.00 (ten) each. The total distribution of units shall be as follows:

Subscribers		No of Units	Face Value (Tk.)	Amount (Tk.)	Remarks
Sponsor*	Grameen Bank	100,000,000	10.00	1,000,000,000	Subscribed
Pre-IPO Placement**		-	-	-	
Sub-Total		100,000,000		1,000,000,000	
Under Initial Public Offering (IPO)					
Eligible Investor (Eis)	Other Eis (Including CISs)	20,000,000	10.00	200,000,000	Yet to be Subscribed
	Mutual Funds	5,000,000	10.00	50,000,000	
General Public	NRB	5,000,000	10.00	50,000,000	
	Others	70,000,000	10.00	700,000,000	
Sub-Total		100,000,000		1,000,000,000	
Grand Total		200,000,000	-	2,000,000,000	



\* The Sponsors' contribution amounting to Tk. 1,000,000,000 (One Hundred Crore) only shall be subject to a lock-in period of one year from the date of listing on the Stock Exchange(s) and 10% of the Sponsor's contribution amounting to Tk. 100,000,000 (Ten Crore) only shall be subject to a lock-in period for life time of the Fund.

\*\* All Pre-IPO Placement Investments are subject to a 06 (six) months lock-in effective from the date of listing of Capitec Grameen Bank Growth Fund on the Stock Exchanges.

## 7.2 Capital Structure

### (1) Subscription from Sponsors

Grameen Bank has subscribed Tk. 1,000,000,000 (Taka One Hundred crore) for 100,000,000 (Ten crore) units of Tk. 10.00 each as per Rule 9 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউচ্যুয়াল ফান্ড) বিধিমালা, ২০০১.

### (2) Public Offer

Subscribers		Particulars	Issue Price Unit (Tk.)	Amount (Tk.)
Eligible investor (Els)	Others Els (Including CISs)	20% of IPO i.e. 20,000,000 units shall be reserved for other Eligible Investors (Els)	10.00	200,000,000
	Mutual Fund	5% of IPO i.e. 5,000,000 units shall be reserved for Mutual Fund	10.00	50,000,000
General Public	NRB	5% of IPO i.e. 5,000,000 units shall be reserved for Non-Resident Bangladeshis (NRBs)	10.00	50,000,000
	Others	70% of IPO i.e. 70,000,000 units shall be reserved for General Public.	10.00	700,000,000
Total				1,000,000,000

## 7.3 Tax Exemption

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

## 7.4 Rights of the unit holders

- Dividend:** All the unit holders have equal but proportionate rights in respect of dividends.
- Transfer of units:** Units are transferable. The transfer shall be made by the CDBL under the electronic settlement process.
- Voting Right:** All the unit holders shall have usual voting rights. Voting right can be exercised in person or by proxy in a meeting held in connection with any proposal to amend the characteristics of the Fund or any other agenda of meeting called by the Trustee in the circumstances mentioned in the Trust Deed or the বিধিমালা. 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.

- (d) **Encashment:** The units shall be listed with DSE and CSE. So investment in this Fund shall easily be en-cashable.

## 8. REDEMPTION / WINDING UP AND CONVERSION POLICY

### 8.1 Procedure of Winding up

(01) The Closed-end schemes of the mutual fund may be wound up: -

- a. On the expiry of any pre-determined tenure.
- b. On the happening of any event, which, in the opinion of the Trustee, requires the scheme to be wound up, subject to approval from the Commission,
- c. If holders of seventy-five per cent units of the scheme pass a resolution that the scheme be wound up,
- d. If the Commission so directs in the interest of the unit-holders.

(02) Where a scheme is to be wound up in pursuance to the above, the Trustee and the Asset Management Company shall separately but simultaneously give notice of the circumstances leading to the winding up of the scheme to the Commission and the Stock Exchange(s), where applicable, and if winding up is approved by the Commission, shall publish in two daily national daily newspapers including a vernacular Bengali having circulation all over Bangladesh.

### 8.2 Conversion of the Fund

The conversion of close-end Mutual Fund shall be done with compliance to the conversion guideline issued by the BSEC.

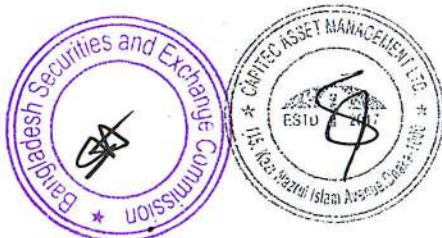
## 9. Application Process

### Step-1 (Applicant):

1. An applicant for public issue of securities shall submit an application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e., the subscription closing date), which shall be the **25<sup>th</sup> (twenty fifth)** working day from the date of publication of an abridged version of the prospectus;

2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Total Amount and Category of the Applicant.;

a) Eligible investors shall submit an application through the electronic subscription system of the exchange(s) and deposit the full amount intended to subscribe by the method as determined by exchange(s);



b) The General Public and Non-resident Bangladeshi (NRB) applicants shall submit the application in the electronic subscription system of the exchange(s) through the Stockbrokers/Merchant Bankers where the applicant maintains customer account.

**Step-2 (Intermediary):**

3. The registered Stock broker/Merchant Banker in the ESS shall:

- a) Post the amount separately in the customer account equivalent to the application money;
- b) Accumulate all the applications/buy instructions received up to the cut-off date and transfer the amount to their respective Consolidated Customer Account.

4. The registered Stockbroker/Merchant Banker in the ESS shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and within 3 (three) working days from the cut-off date, upload to the ESS, the lists of applicants in electronic (text format with tilde '~' separator) format, deposit the full amount received from the General Public and Non-Resident Bangladeshi (NRB) applicants by the method as determined by exchange(s);

5. The application/buy instructions shall be preserved by the Stock broker/Merchant Bankers up to 6 (six) months from listing of the securities with the exchange;

6. The Exchanges shall prepare a consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification on the next working day. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not, verify more than two applications by an individual; verify more than two applications using same bank account and investment criteria;

7. **On the next working day**, CDBL shall provide the Exchanges with an updated database of the applicants containing BO Account Number, Name, Addresses, Parent s' Name and Joint Account information along with the verification report;

8. After receiving verification report and information from CDBL, the Exchanges shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications within 5 (five) working days;

9. **Within next working day**, the Exchanges shall provide the Commission and the AMC with the soft copy of subscription result.

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

10. The AMC shall post the final status of subscription on their **websites within 6 (six) hours** and on the websites of the Commission and Exchanges **within 12 (twelve) hours** of receiving information by the Commission and the Exchanges;

11. Within **3 (three) working days** of receipt of the subscription result, the AMC and Exchanges shall:

- a) Process pro-rata allotment of securities to the General Public and Non-Resident Bangladeshi (NRB) applicants;
- b) Prepare category wise lists of invalid applicants who are subject to penal provisions as per conditions of the consent letter issued by the Commission in electronic (text format with tilde '~' separator) format mentioning the penalty amount against each applicant;
- c) The AMC shall issue allotment letters in the names of allottees in electronic format and



d) The AMC shall credit the allotted shares to the respective BO accounts on the basis of allotment data (BOID and number of securities) via their CDBL VeDAS Terminal.

**Step-4 (Intermediary):**

12. On the next working day, Exchanges shall:

- a) remit the number of allotted applicants to the AMC's respective Escrow Account opened for subscription purpose;
- b) send the penalty amount who are subject to penal provisions to the AMC's respective Escrow Accounts along with a list; and
- c) distribute the information and allotment letters to the stock broker/Merchant Bankers concerned in electronic format with a request to refund the balance application money.

13. On the next working day of receiving the documents from the Exchanges, the Stockbrokers/Merchant Bankers shall refund the excess application money in the customer accounts and inform the applicants about allotment of securities.

**Miscellaneous:**

14. The AMC, Stockbrokers, Merchant Bankers and the Exchanges shall ensure compliance of the above;

15. The AMC shall pay the costs related to process the Eligible Investors allotment if claimed by the Exchange concerned up to an amount of Tk. 2,00,000/- (Taka Two Lac) only and Tk. 8,00,000/- (Taka Eight Lac) only for processing the applications of General Public and Non-Resident Bangladeshi (NRB) applicants if the subscription amount crosses the IPO amount by 4 (four) times or above;

16. The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk. 5/- (Taka Five) only per application irrespective of the amount or category for the service provided till withdrawal of the money. The service charge shall be paid by the applicant at the time of submitting an application;

17. The Exchanges shall provide the AMC with a statement of the remittance;

18. The AMC shall send the penalty amount to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission;

19. The concerned Exchanges are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

**All eligible** Stockbroker/Merchant Banker shall receive the IPO subscription.

The Public Offer subscription money collected from successful applicants (other than NRB applicants) by the Stockbrokers/Merchant Bankers will be remitted to the **"CAPITEC GRAMEEN BANK GROWTH FUND" Escrow BDT A/C No. 1781320000304** with The City Bank Limited, Gulshan Avenue Branch, City Bank Center, 136, Gulshan Avenue, Gulshan-2, Dhaka-1212, Bangladesh for this purpose.

**APPLICATIONS NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS ARE LIABLE TO BE REJECTED.**

Copy of this Prospectus shall be available at the Members of the Stock Exchanges, website and the registered office of the Capitec Asset Management Limited ([www.capitecbd.com](http://www.capitecbd.com)) and also available at the website of Bangladesh Securities and Exchange Commission ([www.bsebd.com](http://www.bsebd.com)).

