

PROSPECTUS (Abridged Version)

NAM IBBL Islamic Unit Fund

This Offer Document sets forth concisely the information about the Fund that a prospective investor ought to know before making investment. This Offer Document should be read before making an application for the Units and should be retained for future reference.

Initial Size of Issue

• BDT 15,00,00,000 (BDT Fifteen crore)

Total Number of Units

• 1,50,00,000 (One Crore and Fifty lac)

Initial / Opening Price

• BDT 10 (Taka Ten) per Unit



Islami Bank
Bangladesh Limited

Sponsor



**NATIONAL
ASSET
MANAGEMENT LTD.**

Asset Manager



ইনভেস্টমেন্ট কর্পোরেশন অব বাংলাদেশ
INVESTMENT CORPORATION OF BANGLADESH

Trustee & Custodian

Initial Subscription Opens

June 06, 2017

Date of Publication of Prospectus

June 01, 2017

Investing in the NAM IBBL Islamic Unit 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 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.

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

The particulars of the Fund have been prepared in accordance with সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ as amended till date and filed with Bangladesh Securities and Exchange Commission of Bangladesh.

Registered Address

National Asset Management Ltd.
Green City Edge, Level-09
89 Kakrail, Dhaka-1000, Bangladesh.
Tel: +88 02 8300671, 028300672
E-mail: nam@nambd.com
Web: www.nambd.com

FUND HIGHLIGHTS

Name	NAM IBBL Islamic Unit Fund
Nature	Open-End Mutual fund
Life and Size of the Fund	Perpetual life and unlimited size
Sponsor	Islami Bank Bangladesh Limited (IBBL)
Trustee	Investment Corporation of Bangladesh (ICB)
Custodian	Investment Corporation of Bangladesh (ICB)
Asset Manager	National Asset Management Ltd. (NAML)
Initial Size of the Fund	BDT 15,00,00,000 (BDT fifteen crore) divided into 1,50,00,000 (One crore fifty lac) Units of Tk.10 (Taka ten) each
Face Value	Tk.10 (Taka ten) per Unit
Objective	The objective of the NAM IBBL Islamic Unit Fund is to achieve superior 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 only in Shariah compliant instruments of capital market and money market.
Minimum Application Amount	Tk.5,000/- per application (500 Units) for individuals Tk.50,000/- per application (5,000 Units) for institutions
Transparency	NAV will be calculated on a weekly basis and shall be published on the web-site of the Fund manager (www.namdb.com) and as prescribed in the Rule
Target Group	Individuals –both resident and non-resident, institutions–both local and foreign, mutual funds and collective investment schemes are eligible to subscribe the Units of the Fund.
ShariahSupervisory Board	The Fund shall be managed under Shariah Law. In this regard, a “NAML Shariah Supervisory Guideline” was framed to ensure the compliance of Shariah Law which was submitted to Trustee and BSEC. Under this Guideline, a Shariah Supervisory board consisting of renowned Islamic Scholars of Bangladesh is formed. This board will work with NAML to ensure compliance of investment management as per Shariah Law.
Dividend	Minimum 70 (seventy) percent of realized income of the Fund will be distributed as dividend in Bangladeshi Taka in each accounting year.
Dividend Distribution	The dividend warrant will be distributed within 45 (forty-five) days from the date of declaration.
Transferability	The Units of the Fund are transferable by way of inheritance/ gift and/ or by specific operation of the law.
Encashment	The Unit holders can surrender their units through the Asset Manager and through the Selling Agents appointed by the Asset Manager. So, investment in the Fund will be easily encashable.
Reports and Accounts	Every unit holder is entitled to receive annual report along with the yearly and half-yearly statements of accounts as and when published from the website (www.namdb.com). Every unit holders will also get quarterly statements of portfolio in NAML’s official website.
Tax Benefit	Income from a mutual fund or a unit fund up to Tk. 25,000.00(Twenty-Five Thousand) is exempted from tax under Income Tax Ordinance 1984. Investment in the Fund would qualify for investment tax credit under section44(2) of the Income Tax Ordinance, 1984.

ফান্ডের সংক্ষিপ্ত বিবরণী

নাম	এন এ এম আইবিবিএল ইসলামিক ইউনিট ফান্ড
ফান্ডের মেয়াদকাল	বে-মেয়াদী মিউচুয়াল ফান্ড
উদ্যোক্তা	ইসলামী ব্যাংক বাংলাদেশ লিমিটেড (আই বি বিএল)।
সম্পদ ব্যবস্থাপক	ন্যাশনাল এসেট ম্যানেজম্যান্ট লিমিটেড।
ট্রাস্টি	ইনভেস্টমেন্ট কর্পোরেশন অব বাংলাদেশ (আইসি বি)।
হেফাজতকারী	ইনভেস্টমেন্ট কর্পোরেশন অব বাংলাদেশ (আইসি বি)।
ফান্ডের প্রাথমিক আকার	৳ ১৫,০০,০০,০০০ (টাকা পনের কোটি) বিভক্ত ১,৫০,০০,০০০ (এক কোটি পঞ্চাশ লাখ) ইউনিটে যার প্রতিটির অভিহিত মূল্য ১০ টাকা।
অভিহিতমূল্য	টাকা ১০ (দশ) প্রতি শেয়ারের মূল্য।
ফান্ডের প্রকৃতি	বে-মেয়াদী মিউচুয়াল ফান্ড এবং সীমাহীন আকার।
উদ্দেশ্য	এন এ এম আই বি বি এল শরীয়াহ ইউনিট ফান্ডের উদ্দেশ্য হচ্ছে মূলধনী লাভ এবং লভ্যাংশের মাধ্যমে ঝুঁকি সমন্বিত রিটার্ন প্রদান করা। এই ফান্ডের মাধ্যমে লভ্যাংশ বিনিয়োগকারীদের দেয়া হয় পুঁজিবাজার, অর্থবাজার, ইত্যাদি শরীয়াহ সম্মত পত্রকোষে বিনিয়োগের মাধ্যমে।
নূন্যতম বিনিয়োগ	টাকা ৫০০০ ব্যক্তিগত আবেদনের বিপরীতে। টাকা ৫০০০০ প্রতিষ্ঠানের আবেদনের বিপরীতে।
স্বচ্ছতা	ডবধিমালা অনুযায়ী ফান্ডের NAV প্রতি সপ্তাহে গণনা করা হবে এবং সম্পদ ব্যবস্থাপকের ওয়েবসাইটে প্রকাশ করা হবে। সম্পদ ব্যবস্থাপকের ওয়েবসাইটের ঠিকানা হচ্ছে (www.namdb.com)
সম্ভাব্য	ব্যক্তি প্রবাসী এবং দেশে বসবাসকারী উভয়ই, প্রতিষ্ঠান -দেশি-বিদেশী উভয়ই, মিউচুয়াল ফান্ড এবং সমষ্টিগত তহবিলের স্কিমসমূহ যে গুলো আইনগতভাবে গঠিত তারা ফান্ডের শেয়ার ক্রয় করার স্বক্ষমতা রাখে।
শরীয়াহ উপদেষ্টামন্ডলী	এই ফান্ডগঠন করা হবে শরীয়াহ আইন মোতাবেক। এন এ এম শরীয়াহ সুপারভাইজারী গাইডলাইন এই মর্মে গঠন করা হয়েছে যা শরীয়াহ আইনদ্বারা পরিচালিত। গাইডলাইনটি ট্রাস্টি এবং বি এস ই সির নিকট পেশ করা হয়েছে। এই গাইডলাইনের অধীনে স্বনামধন্য ইসলামিক চিন্তাবিদদের নিয়ে একটি শরীয়াহ উপদেষ্টা কমিটি গঠন করা হয়েছে। এন এ এম এবং এই উপদেষ্টামন্ডলীগণ একত্রে বিনিয়োগের সিদ্ধান্তগ্রহণ করেন শরীয়াহগাইডলাইন মোতাবেক।
লভ্যাংশ	প্রতিটি হিসাব বছরের শেষে বার্ষিক লাভের নূন্যতম ৭০ (সত্তর) শতাংশ অর্থ লভ্যাংশ হিসেবে বাংলাদেশী টাকায় বিতরণ করা হবে।
লভ্যাংশ বিতরণ	লভ্যাংশপত্র (ডিভিডেন্ডওয়ারেন্ট) লভ্যাংশ ঘোষণার ৪৫ দিনের মধ্যে বিতরণ করা হবে।
হস্তান্তর যোগ্যতা	উত্তরাধিকার/উপহার অথবা আইনদ্বারা অনুমোদিতভাবে এই ফান্ডের ইউনিটসমূহ হস্তান্তর করা যাবে।
নগদায়ন	ইউনিটহোল্ডার গণ তাদের ইউনিটনগদায়ন করতে পারবেন সরাসরি সম্পদ ব্যবস্থাপকের মাধ্যমে অথবা সম্পদ ব্যবস্থাপকের নিয়োগ প্রাপ্ত বিকয় প্রতিনিধির মাধ্যমে।
প্রোসপেকটাস, বার্ষিক প্রতিবেদন এবং হিসাবসমূহ	যে কোন বিনিয়োগকারী সম্পদ ব্যবস্থাপকের ওয়েবসাইট (www.namdb.com) থেকে এই প্রোসপেকটাসটি দেখতে পারবেন। সম্পদ ব্যবস্থাপকের ওয়েবসাইট এ প্রকাশিত বাৎসরিক ও অর্থ বাৎসরিক আর্থিক বিবৃতি প্রত্যেকইউনিট হোল্ডারগণপাবেন। এছাড়া ইউনিট হোল্ডারগণসম্পদ ব্যবস্থাপকের ওয়েবসাইটে পোর্টফোলিওর প্রাপ্তিক প্রতিবেদনও পাবেন।
কর রেয়াত জনিত সুবিধা	Tax ordinance 1984- এ মিউচুয়ালফান্ড অথবা ইউনিটফান্ড হতে আয়এর ২৫,০০০ টাকা পর্যন্ত করের আওতামুক্ত থাকবে। নইউনিট ফান্ডে বিনিয়োগ Tax ordinance 1984,এর সেকশন ৪৪(২) অনুযায়ী বিনিয়োগ কর সম্মানী (Investment tax credit) সুবিধা পাবেন।

RISK FACTORS

Investing in the NAM IBBL Islamic Unit Fund (hereinafter the Fund) involves certain considerations in addition to the risks normally associated with making investments in securities. The value of the Fund may go down as well as up and there can be no assurance that on redemption, or otherwise, investors will receive the amount originally invested. Accordingly, the Fund is only suitable for investment by investors who understand the risks involved and who are willing and able to withstand the risk of losing of their investments. In particular, prospective investors should consider the following risks:

1. General

There is no assurance that the Fund will be able to meet its investment objective and investors could potentially incur losses, including loss of principal when investing in the Fund. Investment in the Fund is not guaranteed by any government agency, the sponsor or the AMC. Mutual funds and securities investments are subject to market risks and there can be no assurance or guarantee that the Fund's objectives will be achieved. As with any investment in securities, the Net Asset Value of the Fund may go up or down depending on the various factors and forces affecting the capital markets and Money Markets. Past performance of the Sponsors and their affiliates and the AMC do not indicate the future performance of the Fund. Investors should study this Offer Document carefully before making investment.

2. External Risk Factor

Performance of the Fund is substantially dependent on the macro economic situation and capital market as well as money market of Bangladesh. Political and social instability may have an adverse effect on the value of the Fund's assets. Adverse natural calamities may impact the performance of the Fund.

3. Market Risk

The Bangladesh capital market is highly volatile and mutual fund prices and prices of securities can fluctuate significantly. The Fund may lose its value or incur a sizable loss on its investments due to such market volatility. Stock market trends indicate that prices of majority of all the listed securities move in unpredictable direction which may affect the value of the Fund. Furthermore, there is no guarantee that the market prices of the units of the Fund will fully reflect their underlying Net Asset Values.

4. Concentration Risk

Due to a limited number of listed securities in both the DSE and CSE, it may be difficult to invest the Fund's assets in a widely-diversified portfolio as and when required to do so. Due to a very thin secondary bond/money market in Bangladesh, it would be difficult for the Fund Manager to swap between asset classes, if and when required. Limited options in the money market instruments will narrow the opportunity of short term or temporary investments of the Fund which may adversely impact the returns.

5. Dividend Risk

Despite careful investment selection of securities in the Fund, if the issuers fail to provide the expected dividend or fail to disburse the dividends declared in a timely manner, this will impact the income of the Fund and the overall return of the Fund.

6. Underlying Liquidity Risk

For investing unlisted equity securities by the Fund, may incur liquidity risk. In addition, market conditions and investment allocation may have an impact on the ability to sell securities during periods of market volatility, bond/money market while somewhat less liquid, lack a well-developed secondary market, which may restrict the selling ability of the Fund and may lead to the Fund incurring losses till the security is finally sold. While securities that are

listed on the stock exchanges carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock exchanges and may lead to the Fund incurring losses till the security is finally sold.

7. Investment Strategy Risk

Since the Fund will be an actively managed investment portfolio; the Fund is subject to management of strategy risk. Although the AMC will apply its investment process and risk minimization techniques when making investment decisions for the Fund, there can be no guarantee that such process and techniques will produce the desired outcome.

8. Credit Risk

Since the Fund will seek to invest as per the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ in both equity and Shariah compliant bonds, the credit risk of the Shariah compliant issuers is also associated with the Fund. Investments in Shariah compliant bonds are subject to the risk of an issuer's inability to meet repayments on its obligations and market perception of the creditworthiness of the issuer.

9. Yield Risk

The Net Asset Value (NAV) of the Fund, to the extent invested in Shariah compliant bonds and Money Market securities will be affected by changes in the general level of yield. The NAV of the Fund is expected to increase from a fall in yield level in the economy while it would be adversely affected by an increase in yield. In addition, zero coupon securities do not provide periodic profit payments to the holder of the security; these securities are more sensitive to changes in yield available in the economy. Therefore, the yield risk of zero coupon securities is higher. The AMC may choose to invest in Shariah compliant zero coupon securities that offer attractive yields. This may increase the risk of the portfolio.

10. Issuer Risk

In addition to market and price risk, value of an individual security can, in addition, be subject to factors unique or specific to the issuer, including but not limited to management malfeasance, lack of accounting transparency, management performance, management decision to take financial leverage. Such risk can develop in an unpredictable fashion and can only be partially mitigated, and sometimes not at all, through research or due diligence. To the degree that the Fund is exposed to a security whose value declines due to issuer risk, the Fund's value may be impaired.

CHAPTER 1: PRELIMINARY

1.1 Publication of Prospectus for Public Offering

National Asset Management Limited has received Registration Certificate from the Securities and Exchange Commission (SEC) under the Securities and Exchange Commission Law, 1993, and the Securities and Exchange Commission (Mutual Fund) Rules, 2001 made there under and also received consent for issuing prospectus of NAMIBBL Islamic Unit Fund for public offering. A complete copy of the prospectus is available for public inspection at Saiham Sky View Tower, Level-16, 45 Bijoy Nagar, Dhaka-1000, the registered office of National Asset Management Ltd., the asset manager of NAM IBBL Islamic Unit Fund, hereinafter referred to as the Fund.

1.2 Consent of the Bangladesh Securities and Exchange Commission (BSEC)

APPROVAL OF THE SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THE FUND UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969; THE SECURITIES AND EXCHANGE COMMISSION (MUTUAL FUND) RULES, 2001. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS APPROVAL THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE FUND, ANY OF ITS SCHEMES OR THE ISSUE PRICE OF ITS 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

The Fund, being an open-ended one, will not be listed with any stock exchanges of the country; hence the Units of the Fund will not be traded in the stock exchanges unless otherwise BSEC and stock exchange houses make arrangement in future. In that case, public communication will be made as per BSEC's approval.

Units of the Fund will always be available for sale and surrender/ repurchase except on the last working day of every week and during book closure period/record date of the Fund at the office of the Asset Manager and the office so of authorized selling agents. Asset Manager shall disclose selling price and surrender/repurchase price of Units at the beginning of business operation on the first working day of every week as per the Rule.

1.4 Availability of Documents for Inspection

- I. Copy of this prospectus will be available at the registered office of the Asset Manager and offices of the authorized selling agents of the Fund. This prospectus will also be available at the website of Bangladesh Securities and Exchange Commission (www.sec.gov.bd) and National Asset Management Ltd. (www.namibd.com).
- II. Copy of the trust deed will be available for public inspection during the business hours at the office of the asset manager of the Fund. Investors will be able to purchase a copy of the trust deed by paying the price as determined by the Asset Manager.

1.5 Conditions under Section 2CC of the Securities & Exchange Ordinance, 1969

- I. The Fund shall not account for any upward revaluation of its assets creating reserve without clearance from Bangladesh Securities and Exchange Commission;
- II. The Fund shall not be involved in option trading, short selling or carry forward transaction;
- III. A confirmation of Unit Allocation shall be issued at the cost of the Fund at par value of Tk. 10.00 (Taka ten) each within 90 (ninety) days from the date of sale of such Units;
- IV. Money receipt/acknowledgement slip issued at the time of sale of Units will be treated as allotment letter, which shall not be redeemable/transferable;
- V. 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;

- VI. 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;
- VII. 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;
- VIII. 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;
- IX. Net Asset Value (NAV) of the Fund shall be calculated and disclosed publicly at least once a week.
- X. After initial public subscription, the sale and repurchase/surrender price of Units will be determined by the Asset Management Company. NAV at market price calculated on a date shall from 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 of the Unit;
- XI. BSEC may appoint auditors for special audit /investigation on the affairs of the Fund, if it so desires;
- XII. The Fund shall maintain separate bank account(s) to keep the sale proceeds of Units and to meet up day-to-day transactions including payment against Repurchase of Units. All transactions of the account shall be made through banking channel and shall be properly documented;
- XIII. The prospectus/abridged version of the prospectus shall be published in one widely circulated Bangla national daily newspaper. Provided that information relating to publication of prospectus be published in 2 national daily newspapers (Bengali and English);
- XIV. If abridged version of the prospectus is published in the newspaper, complete prospectus shall be made available to the applicants;
- XV. If the Fund manager fails to collect the minimum 40% of the initial target amount under বিধি৪৮ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, will refund the subscription money within 30 days without any deduction. In case of failure, the Fund manager will refund the same with an interest @18 percent per annum from its own account within the next month;
- XVI. On achievement of 40% of the initial target amount, the Fund is allowed to commence investment activities of the Fund with permission of the Trustee;
- XVII. The size of the Fund may be increased from time to time by the AMC subject to approval of the Trustee and with intimation to the Commission;
- XVIII. Confirmation of Unit Allocation of the sponsor's contribution amounting to Tk.10,00,00,000/- (BDT Ten Crore) only shall be subject to a lock-in for a period of minimum three years from the date of formation of the Fund and after that period, entire holding may be transferred to any eligible institution who has the qualification to be a sponsor of a mutual fund with prior permission of BSEC.
- XIX. A Confirmation of Unit Allocation amounting Tk. 10,00,00,000/- (66.67% of the Fund) will be issued in favor of the sponsor. The said confirmation letter shall be in the custody of the Trustee. No splitting of the Unit of Sponsor shall be made without prior approval of the Commission.
- XX. **Please ensure that the following are adhered to:**
- (a) As per provisions contained in the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, regarding limitation of time on closure of subscription, the initial public subscription will remain open for forty-five days or for a period up to achievement of the initial target amount, whichever is earlier;
- (b) The paper cutting of the published prospectus and all other published documents/notices regarding the Unit Fund shall be submitted to the Commission within 24 hours of publication thereof;
- (c) The Asset Management Company shall submit 40 (forty) copies of printed prospectus to the Commission for official record;
- (d) The Asset Management Company shall ensure in writing to the Commission that the prospectus/ abridged version is published correctly and is a verbatim copy of the prospectus/abridged version vetted by the Commission;
- (e) The expiry date of the sponsors locked-in portion shall be specially mentioned on the body of the jumbo confirmation of Unit allocation;

- (f) The AMC shall apply the spot buying rate (TT clean) of Sonali Bank prevalent on the date of opening of subscription for conversion of foreign currencies;
- (g) The AMC shall submit to the Commission a diskette containing the vetted prospectus and its abridged version;
- (h) 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 and its abridged version;
- (i) After due approval by the Trustee regarding issue and formation expenses, the AMC shall submit in details to the Commission regarding issue and formation expenses within 15 days of fund operation.

1.6 General Information

- i. This prospectus has been prepared by National Asset Management Ltd. based on the Trust Deed executed between the Trustee and the Sponsor of the Fund, which is approved by the Commission and available publicly. The information contained herein is true and correct in all material aspects and there is no other material fact, the commission of which would make any statement herein misleading.
- ii. No person is authorized to give any information to make any representation not contained in this prospectus and if so given or made, such information or representation must not be relied upon as having been authorized by National Asset Management Ltd.
- iii. The issue as contemplated in this document is made in Bangladesh is subject to the exclusive jurisdiction of the court of Bangladesh. Forwarding this prospectus to any person residing outside Bangladesh in no way implies that the issue is made in accordance with the laws of that country or is subject to the jurisdiction of the laws of that country.

1.7 Sale and Repurchase of Units

NAML will maintain two BO Accounts with Investment Corporation of Bangladesh, custodian of NAM IBBL Islamic Unit Fund for creation and redemption of units namely "NAM IBBL Islamic Unit Fund - Sale of units" and "NAML IBBL Islamic Unit Fund – Repurchase of units".

For sale of units NAML will issue a certificate for the units sold and send it to ICB for setting-up of "Demat" request. After the acceptance of "Demat" setup by NAML from its terminal, units will be credited to the BO Account "NAM IBBL Islamic Unit Fund - Sale of units". Then ICB will transfer the units from NAM IBBL Islamic Unit Fund - Sale of units to the unit holders BO Accounts as per instruction of NAML.

In the case of redemption/Repurchase by the Asset Manager, the unit holder will transfer his/her/the institutional holders' units to the NAM IBBL Islamic Unit Fund – Repurchase of units' account. ICB will debit the unit certificates from the investor's BO Accounts and transfer it to the NAM IBBL Islamic Unit Fund – Re purchase of units' account. Simultaneously, the payment will be made through A/C payee Cheque or funds will be transferred to investor's Bank Account through BEFTN as per the request of the client.

1.8 Declarations

a) Declaration about the Responsibility of the Sponsor

The Sponsor, whose name appears in this prospectus, accepts full responsibility for the authenticity and accuracy of the information contained in this prospectus and other documents regarding NAM IBBL Islamic Unit Fund. To the best of the knowledge and belief of the Sponsor, who has taken all reasonable care to ensure that all the conditions and requirements concerning this public offer and all 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 document, 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 decision for investment.

Sd/-

Md. Abdul Hamid Miah
Managing Director & CEO
Islami Bank Bangladesh Limited

b) 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 সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, and other related agreements and examination of other documents as relevant for adequate disclosure of the Funds objectives and investment strategies to the investors. We also confirm that,

- I. The prospectus is in conformity with the documents, materials and papers related to the public offer;
- II. All the legal requirements of the public offer have been duly fulfilled; and
- III. 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 will make. Like any other equity investment, only investors who are willing to accept a moderate degree 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. Amanullah
Chief Executive Officer
National Asset Management Limited

c) Declaration about the Responsibility of the Trustee

We, as Trustee of the NAM IBBL Islamic 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 Rules and the Trust Deed;
- 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 Rules;
- 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 we have reason to believe that the conduct of business of the Fund is not in conformity with relevant Rules.

Sd/-

Md. Taleb Hossain

Assistant General Manager
Trustee Department
Investment Corporation of Bangladesh

d) Declaration about the Responsibility of the Custodian

We, as Custodian of the NAM IBBL Islamic Unit Fund, accept the responsibility and confirm that we shall:

- I. Keep all the securities of the Fund in safe custody and shall provide the highest security for the assets of the Fund; and
- II. Preserve necessary documents and record so as to ascertain movement of assets of the Fund as per সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.

Sd/-

Md. Shakhawat Hossain

Assistant General Manager
Custodian Department
Investment Corporation of Bangladesh

1.9 Due Diligence Certificate

DUE DILIGENCE CERTIFICATE BY SPONSOR
চতুর্থ তফসিল-(১) এর ১(জ) [বিধি ৪৩(৩) দ্রষ্টব্য]

Chairman
Bangladesh Securities and Exchange Commission
JibanBima Tower, 10 Dilkusha C/A
Dhaka-1000

Subject: NAM IBBL Islamic Unit Fund.

We, the under-noted sponsor to the above-mentioned forthcoming mutual fund, state as follows:

1. We, as the sponsor to the above mentioned fund, have examined the draft prospectus and other documents and materials as relevant to our decision; and
2. We warrant that we shall comply with the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, Bangladesh Securities and Exchange Commission(Public Issue) Rules, 2015, Dhaka Stock Exchange (Listing) Regulations, 2015, Chittagong Stock Exchange (Listing) Regulations, 2015, Trust Deed of the Fund and the Rules, guidelines, circulars, orders and directions that may be issued by the Bangladesh Securities and Exchange Commission from time to time in this respect.

WE CONFIRM THAT:

- a) All information in the draft prospectus forwarded to the Commission is authentic and accurate;
- b) We as sponsor of the fund as mentioned above will act as per clauses of the trust deed executed with the trustee and shall assume the duties and responsibilities as described in the trust deed and other constitutive documents;
- c) We shall also abide by the and conditions imposed by the Commission as regards of the fund; and
- d) We shall act to our best for the benefit and interests of the unit holders of the fund.

For Sponsor

Sd/-
(Md. Abdul Hamid Miah)
Managing Director & CEO
Islami Bank Bangladesh Limited

DUE DILIGENCE CERTIFICATE BY TRUSTEE

চতুর্থ তফসিল-(১) এর ১(জ) [বিধি ৪৩(৩) দ্রষ্টব্য]

Chairman
Bangladesh Securities and Exchange Commission
JibanBima Tower, 10 Dilkusha C/A
Dhaka-1000

Subject: NAM IBBL Islamic Unit Fund.

We, the under-noted trustee to the above-mentioned forthcoming mutual fund, state as follows:

1. We, while act as trustee to the above mentioned fund on behalf of the investors, have examined the draft prospectus and other documents and materials as relevant to our decision; and
2. We warrant that we shall comply with the Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001, Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, Dhaka Stock Exchange (Listing) Regulations, 2015, Chittagong Stock Exchange (Listing) Regulations, 2015, Trust Deed of the Fund and the Rules, guidelines, circulars, orders and directions that may be issued by the Bangladesh Securities and Exchange Commission from time to time in this respect.

WE CONFIRM THAT:

- a) All information and documents as are relevant to the issue have been received and examined by us and the draft prospectus forwarded to the Commission have been approved by us;
- b) We have also collected and examined all other documents relating to the fund;
- c) While examining the above documents, we find that all the requirements of the Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001 have been complied with;
- d) We shall act as trustee of the fund as mentioned above as per provisions of the trust deed executed with the sponsor and shall assume the duties and responsibilities as described in the trust deed and other constitutive documents;
- e) We shall also abide by the Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001 and conditions imposed by the Commission as regards of the fund; and
- f) We shall act to our best for the benefit and sole interests of the unit holders of the fund;

For Trustee

Sd/-
Mohammed Shahjahan
General Manager, Trustee Division
Investment Corporation of Bangladesh (ICB)

DUE DILIGENCE CERTIFICATE BY CUSTODIAN

চতুর্থ তফসিল-(১) এর ১(জ) [বিধি ৪৩(৩) দ্রষ্টব্য]

Chairman
Bangladesh Securities and Exchange Commission
JibanBima Tower, 10 Dilkusha C/A
Dhaka-1000

Subject: NAM IBBL Islamic Unit Fund.

We, the under-noted custodian to the above-mentioned forthcoming mutual fund, state as follows:

1. We, while act as custodian to the above mentioned fund on behalf of the investors, shall comply with the Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001, Depository Act, 1999, Depository Regulation, 2000, Depository (User) Regulation, 2003, Trust Deed of the Fund and the Rules, guidelines, circulars, orders and directions that may be issued by the Bangladesh Securities and Exchange Commission from time to time in this respect.

WE CONFIRM THAT:

- a) We will keep all the securities (both listed and unlisted) and Assets of the **NAM IBBL Islamic Unit Fund** including Shariah complaint FDR receipts in safe and separate custody as per বিধি ৪১ of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, and will provide highest security for the assets of the Fund;
- b) We shall act as custodian of the fund as mentioned above as per provisions of the custodia nagreement executed with the asset management company and shall assume the duties and responsibilities as described in the trust deed of the mentioned fund and other constitutive documents;
- c) We shall also abide by the Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001 and conditions imposed by the Commission as regards of the fund; and
- d) we shall act to our best for the benefit and sole interests of the unit holders of the fund;

For Custodian

Sd/-
Mohammed Shahjahan
General Manager, Custodian Division
Investment Corporation of Bangladesh (ICB)

DUE DILIGENCE CERTIFICATE BY ASSET MANAGER

চতুর্থ তফসিল-(১) এর ১(জ) [বিধি ৪৩(৩) দ্রষ্টব্য]

Chairman
Bangladesh Securities and Exchange Commission
JibanBima Tower, 10 Dilkusha C/A
Dhaka-1000

Subject: NAM IBBL Islamic Unit Fund.

We, the under-noted Asset Manager to the above mentioned forthcoming mutual fund, state as follows:

1. We, while act as asset manager to the above mentioned mutual fund, declare and certify that the information provided in the prospectus, is complete and true in all respects;
2. We further certify that we shall inform the Bangladesh Securities and Exchange Commission immediately of any change in the information of the fund; and
3. We warrant that we shall comply with the Securities and Exchange Ordinance, 1969, the Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001, Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, Dhaka Stock Exchange (Listing) Regulations, 2015, Chittagong Stock Exchange (Listing) Regulations, 2015, and the Rules, guidelines, circulars, orders and directions that may be issued by the Bangladesh Securities and Exchange Commission from time to time in this respect.

WE CONFIRM THAT:

- a) The draft prospectus forwarded to the Commission is in conformity with the documents, materials and papers relevant to the fund;
- b) All the legal requirements connected with the said fund have been duly complied with; and
- c) The disclosures made in the draft prospectus are true, fair and adequate to enable the investors to make a well-informed decision for investment in the proposed fund.

For the Asset Manager

Sd/-
Md. Amanullah
Chief Executive Officer
National Asset Management Limited

CHAPTER 2: BACKGROUND

2.1 Preamble to Formation of NAM IBBL Islamic Unit Fund

Open-end unit fund is a collective investment scheme which can issue and redeem units at any time. An investor will generally purchase units in the fund directly from the fund itself rather than from the existing unit holders. By investing in an open-end unit 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.

The NAM IBBL ISLAMIC UNIT FUND will provide an investment alternative for the existing retail investors in Bangladesh. It will also encourage new investors to join in and enjoy the returns of the capital market with minimal risks.

The parties to the fund are, Islami Bank Bangladesh Limited as Sponsor, National Asset Management Ltd. (NAM) as the Asset Manager, Investment Corporation of Bangladesh (ICB) as the Trustee and the Custodian of the Fund.

2.2 Capital Market of Bangladesh

The capital market is the engine of growth for an economy, and performs a critical role in acting as an intermediary between savers and companies seeking additional financing for business expansion. Vibrant capital market is likely to support a robust economy.

Bangladesh capital market where the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE) play a dominant part has multiple roles in a nation's economy. They provide avenues for investment and capital acquisition and also give an indication of overall economic condition.

At present, the capital market of Bangladesh has gained some positive momentum due to stability in economically and politically. The recent market experience made the government, the Bangladesh Securities and Exchange Commission (BSEC) and the key stakeholders to work on a long-term plan to make the market vibrant by improving mechanisms and coordination among the stakeholders. By introducing many new rules and regulations by BSEC including the demutualization of stock exchanges bring positive changes in the near future. BSEC has also published draft ordinance for launching of Exchange Traded Fund (ETF) which is under process to publish. Besides, Bangladesh Security Exchange Commission takes initiatives for launching country wide Financial Literacy Program to make investors more informative, and to educate investors for the investment in capital market. It is noteworthy that the leading global investment banks, Citi, Goldman Sachs, JP Morgan etc. have all identified Bangladesh as a key investment opportunity.

The economy is set to achieve 7.2 percent growth in FY 2017 and even higher in the coming years. Domestic individuals and institutions as well as Non-Resident Bangladeshis (NRBs) are showing tremendous interest on capital market investment. In 2016, equity market capitalization has changed 8.52 percent and market capitalization to GDP changed 19.63 percent amid a series of bearish trends throughout the year caused by various factors. Healthy corporate declarations by listed companies and optimistic investors pushed the market into positive trends.

Market will see further growth in the near future with the off-loading of shares of State Owned Enterprises (SOEs) and also from telecommunication sector. Therefore, a vibrant and responsive capital market is now of utmost importance to attract more and more domestic and foreign individual and institutional investors. All these signify that Bangladesh Capital market has enormous potential to become one of the leading emerging markets in South Asia. Price Earnings (PE) ratio at the end of January 2017 was at 15.65 which is very attractive considering the index of December 2010 at 29.16. Moreover, present Govt. is always expanding their hands for all types of cooperation for further flourishing the capital market.

2.3 Advantages of Investing in NAM IBBL ISLAMIC UNIT FUND

Following are the advantages the investors of NAM IBBL ISLAMIC UNIT FUND will enjoy:

- I. **Professional Management:** The Fund will be managed by qualified professionals, who take investment decisions based on their continuous research of the economy, the market and the performance and prospects of companies. The research team of National Asset Management Ltd. (NAML) also will select suitable investments to achieve the objectives of the fund and it will be a continuous process that takes time and expertise which will add value to your investment. Here, the Fund manager of the fund is in an active position to manage your investments and earn higher returns.
- II. **Diversification:** There is an old saying: "don't put all your eggs in one basket" really applies to the concept of intelligent investing. Diversification lowers your risk of loss by spreading your money across various industries and geographic regions. A well-diversified portfolio is to be developed for the Fund to lower investment risk of the investors, who will be capable enough to minimize or even eliminate their individual exposure to company-specific risks.
- III. **Ease of Investment:** Most investors constantly live with a certain amount of anxiety and fear about their investments because they feel they lack one or more of the following essentials: (1) market knowledge, (2) investing experience, (3) self-discipline, (4) a proven game plan, or (5) time. As a result, they often invest on impulse or emotion. Because of their inherent design that taps professional expertise and spreads risk, mutual funds can go a long way toward relieving the anxiety associated with investing. On the other hand, asset managers are the one who specializes in investment management. Asset managers engage themselves in an organized and disciplined way of investment management based on relevant education, years of hands on experience and skills. Allowing the asset manager to take the responsibility of managing investment and dealing with it professionally can release investor from the anxiety of investment.
- IV. **Liquidity:** With this open-end fund, you can redeem all or part of your investment any time you wish and receive the current value of the units. Funds are more liquid than most investments in shares, deposits and bonds.
- V. **Trading at Close to NAV:** Price of the Units of the Fund will not be determined by demand and supply function, rather by Net Asset Value (NAV).
- VI. **Cumulative Investment Plan (CIP):** NAM IBBL ISLAMIC UNIT FUND offers the investors to choose either to receive dividend or to allow the Fund manager, to reinvest their dividend in the market. This flexibility allows investors to choose a plan according to their preference.
- VII. **Transparent Operation & Extensive Disclosures:** Formation, management and operation of NAM IBBL ISLAMIC UNIT FUND adhere to সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ and are monitored by the BSEC and the Trustee. The Fund will disclose relevant information to the Trustee, BSEC and the public as prescribed in the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.
- VIII. **Benefits in Shariah Mode of Investing:** Muslims are prohibited from participating in interest-based transactions, gambling, creating or consuming products made from pork, and more. Just this abbreviated list of prohibitions offers an idea of why Muslims can't put their money into conventional banks or purchase conventional investment instruments. However, their need for investment remains unmet. This fund will assist them to channelize their funds into Shariah Compliant Securities.

In addition to that, Islamic funds ensure that balance sheets of the companies chosen are in compliance with Shariah rules. When companies pass Shariah rules, they are usually found having strong balance sheet. These companies are better able to protect themselves during economic downturn. Ultimately, the Islamic funds perform better in long run. That is why greater demand for Islamic Funds have been seen during global financial crisis of 2007-08. Islamic investments are based on business contracts that increase transparency and reduce speculation so that all contracting partners know what to expect and what risks are involved. Investors can expect these companies are better governed in the fund.

IX. Tax Advantage of investing in NAM IBBL ISLAMIC UNIT FUND:

Tax advantage on Income: Income from a mutual fund or a unit fund up to Tk. 25,000.00 (Twenty-Five Thousand) is exempted from tax under Income Tax Ordinance 1984.

Investment Tax credit: According to the current Income Tax Ordinance (ITO) 1984, section 44, amended in 2016, amount of allowable investment is – actual investment or 25% of the total (taxable) income or BDT 15,00,00,000.00 whichever is less.

Tax rebate rate is from 15% to 10% as per following schedule:

Total Income	Rate of Tax Rebate
Up to BDT 10,00,000.00	15% of eligible amount
From BDT 10,00,001.00 to BDT 30,00,000.00	a) BDT 250,000.00 of eligible amount at the rate of 15% b) Remaining of the eligible amount at 12%
Above BDT 30,00,000.00	a) BDT 250,000.00 of eligible amount at the rate of 15% b) Next BDT 5,00,000.00 of eligible at the rate of 15% c) Remaining of the eligible amount at 10%

CHAPTER 3: THE FUND

3.1 Formation

The Trust Deed of 'NAMIBBL Islamic Unit Fund' was registered on November 13, 2016 under the Trust Act, 1882, and Registration Act, 1908. The fund was registered by BSEC on December 26, 2016 under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.

3.2 Life of the Fund

The Fund will be an open-end Shariah based mutual fund, with a perpetual life. 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 will be Tk. 15,00,00,000 (Taka Fifteen crore) only divided into 1,50,00,000 (One crore and fifty lac) Units of Tk. 10 (Taka ten) each. Size of the Fund will be increased from time to time by the Asset Manager subject to approval of the Trustee and with due intimation to the BSEC.

3.3 Face Value and Denomination

Face value of each Unit will be Tk.10 (Taka Ten) only. Initially, unit holders of the Fund shall be issued with a confirmation of unit allocation letter by the Asset Manager at the cost of the Fund in any denomination but not less than 500 (five hundred) units for individuals and 5,000 (five thousand) units for institutions.

3.4 Investment Objective

NAMIBBL Islamic Unit Fund aims at earning superior risk adjusted return by maintaining a diversified portfolio and interest free return to the investor by investing fund only in Shariah compliant instruments in order to provide attractive dividend payments to its unit-holders.

3.5 Investment Policies

- a) The Fund shall invest subject to the বিধিমালা and only in those securities, deposits and investments approved by Bangladesh Securities and Exchange Commission and/or the Bangladesh Bank and/or the Insurance Development & Regulatory Authority (IDRA) of Bangladesh or any other competent authority in this regard.
- b) The Asset Manager of the Fund shall form a Shariah Supervisory Board with two ex-officio members. The Shariah Supervisory Board will be responsible for monitoring the activities and investments of the Fund.
- c) The fund shall only invest in any shares and securities that are permissible by the Shariah Law and approved by the Shariah Supervisory Board.
- d) Not less than 60% of the total assets of the Fund shall be invested in capital market instruments out of which at least 50% will be invested in listed securities.
- e) Not more than 15% of the total asset of the Fund shall be invested in pre-IPOs at one time.
- f) All money collected under the Fund shall be invested only 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.
- g) The Fund shall get the securities purchased/ transferred in the name of the Fund.
- h) Only the Asset Management Company will make the investment decision and place orders for securities to be purchases or sold for the scheme's portfolio.

3.6 Investment Restrictions

In making investment decisions, the following restrictions should be taken into due consideration:

- a) The Fund shall not invest more than 10% of its total assets in any one particular company.
- b) The Fund shall not invest in more than 15% of any company's paid-up capital.
- c) The Fund shall not invest more than 20% of its Assets in shares, debentures or the other securities of a single company or group.
- d) The Fund shall not invest more than 25% of its total assets in shares, debentures or other securities in any one industry.
- e) The Fund shall not invest in or lend to another Scheme managed by the same Asset Management Company.
- f) The Fund shall not acquire any asset out of the Trust property, which involves the assumption of any unlimited liability or shall result in encumbrance of the Trust property in any way.
- g) 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.
- h) The fund shall follow the investment objectives and investment restrictions as per the Rule. However, the AMC shall follow the Shariah guidance suggested by the Shariah Supervisory Board for investment selections within the Rules.
- i) 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 Exchange(s).
- j) The Fund shall not involve in option trading or short selling or carry forward transactions.
- k) The Fund shall not buy its own unit.

3.7 Valuation Policy

- a) For listed securities held in the portfolio of the Fund, the average quoted closing market price at the Stock Exchange(s) on the date of valuation shall be taken into account for calculation of Net Asset Value (NAV) of the Fund or as specified in বিধিমালা.
- b) For securitized debts, debentures, margin or fixed deposits, held in the portfolio of the Fund, the accrued interest on such instruments on the date of valuation shall be taken into account for calculation of Net Asset Value (NAV) of the Fund.
- c) The Fund shall fix the valuation method as specified in the বিধিমালা.

- d) The Fund shall follow the method approved by the Commission for valuation of the non-traded investments, if any, the Asset Management Company and the Trustee shall at least annually review the non-listed investments, if any, and the Trustee shall at least annually review the value of such investments. The auditors shall comment on such investments in the annual report of the Fund.
- e) The valuation of those Listed Securities not traded within previous one month will be made with their reasonable value but shall not be more than the intrinsic value. Such valuation must be approved by the Trustee and commented upon by the Auditors in the Annual Report of the mutual fund but shall not be more than the intrinsic value of the securities.
- f) The Valuation of non-listed securities will 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.
- g) Once non-listed securities are valued, the valued amount will be considered for purpose of valuing the Fund's assets in any interval of time until the securities are further revalued by the Asset Management Company.
- h) The Asset Management Company and the Trustee will value the non-listed securities at least once in every three months.
- i) In case of deferred expenses, accrued expenses for the period will be taken into account for determining total liabilities.

3.8 Net Asset Value (NAV) Calculation

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

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

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

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

L_T = Total liabilities of the Fund as on date

V_A = Value of all securities in vault + Value of all securities placed in lien + Cash in hand and at bank + Value of all securities receivables + Receivables of proceeds of sale of investments + Dividend receivables, net of tax + Profit 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 + All other payables related to printing, publication and stationery + Accrued deferred expenses with regard to management fee, trustee fee, annual fee, audit fee and safe keeping fee.

3.9 Limitation of Expenses

- i. All expenses should be clearly identified and appropriated to the Fund.
- ii. The Asset Management Company may charge fund for Investment Management and Advisory fees.
- iii. Asset Management Company may amortize the initial issue costs of the Fund over a period as provided for in the বিধিমালা; Provided that initial issue expenses/Initial Public Offering (IPO) costs shall not exceed 5% of the collected amount of the Fund raised under the Scheme.
- iv. In addition to the fees mentioned herein above the Asset Management Company may charge the Scheme of the Fund with the following recurring expenses, namely;
 - a) Marketing and selling expenses including commissions of the agents, if any;
 - b) Brokerage and Transaction costs;
 - c) Cost of registrar services for transfer of securities sold or redeemed;

- d) Trusteeship fees;
 - e) Custodian fees;
 - f) Dematerialization fees and others;
 - g) Shariah Supervisory fee;
 - h) Re-registration fees, if any.
 - i) Relevant expenditure for calling meeting by the trustee committee; and
 - j) Other expenses applicable to the Mutual Fund.
- v. The expenses referred to herein above and any other fees payable or reimbursable to the Asset Management Company or the Trustee shall be charged to the Fund.

3.10 Price Fixation Policy, Sale & Repurchase Procedure

After completion of initial subscription, the Fund will be made open to the investors for regular buy-sale of Units. The date of re-opening shall be declared by the asset manager upon approval of the Trustee and with due intimation to the BSEC.

The asset manager shall calculate the Net Asset Value (NAV) per unit on the last working day of every week as per formula prescribed in the বিধিমালা and shall disclose sales price and repurchase/ surrender price per unit determined on the basis of NAV before commencement of business operation of the first working day of the following week to the Commission and to the investors through at least one national daily, the website of the asset management company and the authorized selling agents of the Fund. The difference between sales price and repurchase/ surrender price shall primarily be 3 (three) percent of the face value of the Unit which may be changed in future with a maximum limit of 5 (five) percent of the sale price of the Unit.

3.10.1 Sale and repurchase procedure is given below:

- i. The Units of NAM IBBL Islamic Unit Fund, hereinafter referred to as the Fund, may be bought and surrendered through National Asset Management Ltd. and authorized selling agents appointed by NAML from time to time.
- ii. Minimum purchase quantity for individual investors is 500 (five hundred) units and for institutional investors is 5,000 (five thousand) units.
- iii. Application for purchase of units should be accompanied by an account payee cheque/ pay order/ bank draft in favor of "NAM IBBL Islamic Unit Fund" for the total value of Units.
- iv. After clearance / encashment of cheque/ draft/ pay order the applicant will be issued with one unit allocation confirmation against every purchase with a denomination of number of units he / she / the Institutional investor applies for. The units will also be delivered to the Unit holder's BO A/C.
- v. Partial surrender (fraction of total units held under a Unit Allocation Confirmation) is allowed without any additional cost subject to minimum surrender quantity is 500 (five hundred) units both of individuals and institutions. Upon partial surrender, the unit holder will be issued with a new unit allocation confirmation representing the balance of his unit holding.
- vi. All payments/ receipts in connection with or arising out of transactions in the units hereby applied for shall be in Bangladeshi Taka.

3.11 Winding up Policy

3.11.1 Procedure of Winding Up

- i. If the total number of outstanding unit certificates held by the unit holders after repurchase at any point of time falls below 25% of the actual certificate issued, the Fund will be subject to be wound up.
- ii. 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.
- iii. The Scheme may also be wound up if the Commission so directs in the interest of the unit holders.
- iv. Where a Scheme 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

Scheme to the Commission and if winding up is permitted by the Commission, shall publish in two national daily newspapers including a Bangla newspaper having circulation all over Bangladesh.

3.11.2 Manner of Winding Up

- i. The Trustee shall call a meeting within 30 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 Scheme. If it fails to have three-fourth majority mandate, the Commission shall have the power to supersede the mandate if situation demands such.
- ii. The Trustee shall dispose of the assets of the Scheme of the Fund in the best interest of the unit holders; Provided that the proceeds of sale made in pursuance of the বিধিমালা, 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.
- iii. Within thirty days from the completion of the winding up, the Trustee shall forward to the Commission and the unit holders a report on the winding up containing particulars, such as circumstances leading to the winding up, the steps taken for disposal of assets of the 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.

3.11.3 Effect of Winding Up

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

- i. Cease to carry on any business activities of the open-end fund;
- ii. Cease to create and cancel unit of the open-end fund;
- iii. Cease to issue and redeem units of the open-end fund.

3.12 Investment Management

National Asset Management Ltd shall conduct the day to day management of the fund's portfolio as the Asset Manager subject to the provisions laid down in the বিধিমালা and trust deed and or NAML Shariah Supervisory Guideline or any general directions given by the Trustee, Shariah Supervisory Board and/or the Commission. Moreover, Asset Manager shall have discretionary authority over the Fund's portfolio about investment decisions. For investment decision, an Investment Committee (IC) shall be formed comprising of the following:

- Chief Executive Officer
- Investment Manager
- Compliance Officer

Chief Executive Officer will be heading the IC and have full authority for investment and exit decision within the frame work of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ and parameters set in the investment policies and approved by the Board of Directors of NAML. IC shall review the present and future economic condition from the research report and regular updates from the IC and will take investment decision. IC shall deliberate and resolve the following matters in connection with investment:

- Developing asset allocation strategy and investment guidelines subject to rules
- Short, mid and long tenure investment policies of the fund and amending it from time to time as necessary
- Develop and maintain investment guidelines and performance criteria for each investment along with entrustment of each asset class

- Determine the Fund’s risk tolerance and investment horizon and communicate such to the working committee (WC) as risk management policies of the fund
- Evaluate investment performance
- Oversee the working committee
- Monitoring fund cash flow, liquidity and overall net asset value (NAV) of the fund
- Compare portfolio composition with desired composition and entrust portfolio rebalancing if necessary
- Administrative decision including review of fund expenses and accounting control

3.13 Dividend Policy

- The accounting year of the Fund shall be 1st July to 30th June every year;
- All the unit holders have equal but proportionate right in respect of dividend. Dividend will be paid in Bangladeshi Taka.
- The Fund shall distribute minimum 70% or as may be determined by this বিধিমালা from time to time, of the annual net income of the Fund as dividend at the end of each accounting period after making provision for Bad and Doubtful Investments. The Fund shall create a Dividend Equalization Reserve by appropriation from the income of the Fund to ensure consistency in dividend payment.
- 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 will be incorporated in the notes of accounts.
- Surpluses arising simply from the valuation of investments shall not be available for dividend.
- Dividend warrants will be dispatched within 45 days from dividend declaration and the AMC shall submit a statement in this respect within next 7 days to the Commission, the Trustee and the Custodian.
- Before registration for transfer of ownership, a transferee shall not possess any right to dividend declared.
- 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.

CHAPTER 4: THE SHARIAH SUPERVISORY BOARD

5.1. Member of Shariah Supervisory Board

The first Shariah Supervisory Board of the Fund constituted with the following members:

Dr. Hasan Mohammad Moinuddin	Chairman
Janab Shah Mohammad Wali Ullah	Member
JanabAbdurRaquib	Member
JanabMd. Amanullah	Member Secretary

However, any change in the ShariahSupervisory Board is subject to compliance of the “Shariah Supervisory Guidance” and intimate it to the Commission.

Dr. Hasan Mohammad Moinuddin is the chairman of National Asset Management Limited’s Shariah board. He is currently working as Assistant Professor at International Islamic University Chittagong (IIUC), Dhaka campus. He was awarded Doctor of Philosophy degree (Ph.D.) on the topic “Islamic Philosophy” from Ummul Qura University, Holy Makkah, Kingdom of Saudi Arabia in 1998. He has involved in various activities as Islamic researcher, columnist in Jeddah, K.S.A. He was also an Ex-Chairman, Bangladesh Students Association, Ummul Qura University, Makkah from 1994-1997. He is a member of ShariahSupervision Committee of Islami Bank Bangladesh Limited.

Janab Shah Mohammad Wali Ullah is the member of National Asset Management Limited’s Shariah board. He currently holds the position of Pesh Imam & Khatib of Sobhanbagh Masjid & Madrashah Complex in Dhaka. He is a member secretary of Shariah supervisory committee of Social Islami Bank Ltd. He has been engaged in many Islamic Institutions

of Bangladesh. Besides, He has many writings of Islamic books and research papers on various topics in different newspapers, magazines, journals and memorandum.

Janab Abdur Raquib is another member of National Asset Management Limited's Shariah Board. He was the Professor and Dean of Business Administration and Economics at International University of Business Agriculture & Technology (IUBAT), Dhaka. He is also currently holds the position of Chairman at Social Safety Net Foundation. He has vast working experiences in different financial institutions, pharmaceutical company, NGO. He had been working as Managing Director of Islami Bank Bangladesh Ltd for seven years. He has also worked as Deputy Managing Director, Consultant and Executive Director in The Ibn Sina Pharmaceuticals Industries Ltd, BRAC Bank Ltd. and Bangladesh Bank respectively. He also has membership in different institutions and organization. He participated and contributed numerous papers in international and national seminars and workshop on different Financial Literacy topics. He has also many publications of research papers on various topics in different journals and memorandum.

Janab Md. Amanullah is the member secretary of National Asset Management Limited's Shariah board. Janab Md. Amanullah has over 30 years of banking experience including very senior level working experience with country's top state owned commercial and development banks. Janab Md. Amanullah was Managing Director of Bangladesh Shilpa Bank (BSB). He was Managing Director (Additional Charge) of Sonali Bank and was Deputy Managing Director and General Manager of the same bank. Janab Md. Amanullah joined Rupali Bank Limited as Senior Officer and worked in various capacities and later on assumed the position of Deputy General Manager of the same bank. Janab Md. Amanullah has extensive exposure to Capital Markets, General Banking, Credit Management, Treasury Management, Core Risk Management and Project Finance. He was head of Investment and Business Development Committee of Sonali Bank and was head of Credit Division of Rupali Bank Limited. He was also a nominated Director to the Board of Investment Corporation of Bangladesh (ICB). Janab Md. Amanullah did his MBA from the Institute of Business Administration (IBA), Dhaka University. He had advance training on Economics, Money & Banking from FISK University, Tennessee, USA. He also attended a seminar on Credit Analysis at CITI Corp School of Banking, New York, USA.

5.2. Role and Responsibilities of Shariah Supervisory Board

"Shariah Supervisory Board" means a body of Shariah experts who certifies the securities/assets as Shariah-compliant. A Shariah Supervisory Board performs the following responsibilities:

- i. Prepares guidelines and methodologies for selecting/screening of companies/ securities/ instruments to be acceptable as per Shariah principles;
- ii. Recommends companies/securities/instruments for investment, consistent with the guidelines and methodologies;
- iii. Certifies/approves the criteria of identifying prohibited incomes and recommending distribution of those prohibited income to any charitable organization;
- iv. Certifies at the end of each accounting year that all investments and incomes accounted for are Shariah compliant;
- v. Any other responsibilities determined by the Commission or specified in the constitutive documents;

CHAPTER 5: INVESTMENT APPROACH AND RISK CONTROL

A top down and bottom up approach may adopt the following investment approaches and risk control measures, namely:

- i. Investments will be pursued in selecting sectors based on the analysis of business cycles, regulatory reforms, competitive advantage, etc.
- ii. Selective stock picking will be done from the selected sectors.
- iii. The Asset Management Company in selecting scrips will focus on the fundamentals of the business, the industry structure, the quality of management, sensitivity to economic factors, the financial strength of the company and key earnings drivers.

- iv. In addition, the Asset Management Company will study the macro-economic conditions, including the political, economic environmental and other factors affecting liquidity and interest rates.
- v. Since disciplined investment requires risk management, the Asset Management Company would incorporate adequate safeguards for controlling risks in the portfolio construction process.
- vi. Risk will also be reduced through adequate diversification of the portfolio. Diversification will be achieved by spreading the investments over a range of industries/sectors.

CHAPTER 6: FORMATION, MANAGEMENT & ADMINISTRATION

6.1 Sponsor of the Fund

Islami Bank Bangladesh Limited is a Joint Venture Public Limited Company engaged in commercial banking business based on Islamic Shari'ah. It was established on the 13th March 1983 as the first Islamic Bank in the South-East Asia which started operations on 30 March 1983. It is a public limited company registered under the Companies Act of 1913. It has 42.4832% local and 57.5168% foreign shareholders. IBBL has 318 branches including 58 AD Branches & 03 Offshore Banking Units as well as has 13,569 staffs. In addition to that IBBL maintains its own 524 ATM Booths, 125 IDM (IBBL Deposit Machine) along with more than 7,000 shared ATM network across the country. IBBL is the largest private banking network in Bangladesh. The bank is listed with both Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd.

Recognition: Islami Bank Bangladesh Limited won Bank of the Year Award 2016 conferred by The Banker and Financial Times Group, London. Islami Bank is the only Bangladeshi Bank awarded ever by the Banker. The bank is being placed among the World's top 1,000-bank list ranked by The Banker since 2012. In 2016, the Bank was recognized as the best Managed Bank in Bangladesh by The Asian Banker, a Singapore based strategic banking intelligence provider. The Global Finance a reputed USA-based Finance Magazine, adjudged IBBL as the best Islamic Financial Institution of Bangladesh for the years 2008, 2009, 2010, 2011 & 2013. In addition, a good number of awards have been conferred upon Islami Bank both from local and global renowned organizations in 2016. The bank is functioning as the 1st Shariah based bank of Southeast Asia for more than three decades and achieved many accolades for its outstanding contribution in the country's economic development.

6.2 Trustee & Custodian of the Fund

Investment Corporation of Bangladesh (ICB) would act as the Trustee and Custodian of the NAM IBBL Islamic Unit 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. 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 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.

6.3 Asset Manager of the Fund

National Asset Management Limited (NAML) sponsored by a group of qualified professionals with long experience in investment management and capital markets at home and abroad. National Asset Management has received license from Bangladesh Securities & Exchange Commission (BSEC) on November 11, 2009 to operate as an Asset Management Company under the provisions of Mutual Fund Rules, 2001.

NAML became joint venture company through equity investment with SwissPro Holdings Ltd., which is represented by its Director, Mr. Christian Forthuber. He is now also Chairman of National Asset Management Ltd.

The Company has a strong management team of highly skilled and experienced professionals. The members of the management team have experience in commercial and development banking, investment companies, stock broking and merchant banking operations.

6.3.1 Investment Management Process: A Team Approach

The investment management operation of NAML is managed by a team of investment professionals and is guided by an Investment Committee. The Investment Committee reviews the Fund portfolio selection process to ensure compliance with the objectives set out in the Trust Deed. In addition, the Investment Committee pays special attention to the SEC guidelines on investments restrictions/investment limits as prescribed from time to time; these restrictions relate to single company/group investments, investments in associate companies, investments in unrated debt instruments etc. In addition, the Investment Committee also reviews the portfolio periodically to assess liquidity positions and evaluate the risk parameters time to time to rebalance the portfolio. In performing its fund management, the Committee monitor the following activities by research team:

- **Selection of Shariah Universe of Stocks:** Securities and other instruments for Investment will be made by as per Shariah Law. At first, stocks will be selected by Shariah based qualitative and quantitative screenings. Finally, the selected lists will be approved by the Shariah Supervisory Board of the fund.
- **Preparing potential Stock List:** Research analyst team then analyzes and prepares prospective stock list from the above mentioned Shariah Universe of Stocks with fundamental analysis and technical analysis. Fundamental Analysis concentrates on macroeconomic, industry and company specific research analysis combining world-class valuation techniques, forensic accounting, as well as market information flows. On the other hand, Technical Analysis that captures the movement in the market indexes and individual stocks to provide buy-sell signals. These include Trend Analysis, Moving Average (MA), and Relative Strength Index (RSI), Moving Average Convergence Divergence (MACD).
- **Top Down and Bottom Up Approach:** Top down Approach Analysis initially deals with analysis of overall macroeconomic picture of the country, analysis on sector or industry growth, analysis on fund flow of specific sectors and sector allocations. Bottom Up Approach focuses on analysis of individual companies within a particular industry based on multiple quantitative and qualitative parameters, including valuation report, earnings growth, price earnings ratio, comparing fundamental indicators with peer companies, company prospects, competitive outlook and corporate management, business trends. The entire outputs of activities are then combined to generate the optimum portfolio which intends to provide the highest return at a given level of risk.
- **Portfolio Construction:** Investment committee will construct an optimum portfolio composition with the goal of maximizing returns with minimizing risks. The committee will determine appropriate asset allocation in different investment compositions with minimal risk tolerance level.
- **Risk Management:** Investment committee further analyzes and monitors the various risks at the portfolio level. The main task is to diversify the unsystematic risks from the portfolio and preserve clients' wealth. Risk Management step applies the pre-determined position limits to the portfolio, limiting sector exposure and individual stock exposure. Maintaining lower volatility is also an important concern; to this end, beta adjustment and other sophisticated risk analysis is used.

- **Execution of Trade:**NAML uses various types of quantitative strategies and market momentum to maximize its trade executions. To this end, NAML has selected a panel of skilled brokers to execute its trades in an efficient and confidential manner.

6.3.2 The Brief Profiles of the directors and key personnel

Mr. Christian Forthuber

Chairman

NAML's Chairman, Mr. Christian Forthuber has over 24 years of international investment banking and asset management experience. He worked at Citigroup, Dresdner Kleinwort, Credit Suisse and Merrill Lynch and has served as senior advisor to Euronext. Liffe and Deutsche Börse over the years. Since 2010 he has exposure to the local capital market as co-founder of SwissPro Invest (BD) Ltd., a privately-owned investment advisory boutique based in Dhaka. The company advises the "SPI Bangladesh Fund", the first ever UCITS-compliant mutual fund for Bangladesh. The Luxembourg domiciled fund invests only in companies listed on the DSE.

Mr. Dewan Nurul Islam MBA, FCA

Vice Chairman

Mr. Dewan Nurul Islam did his MBA in Finance from the University of Technology Sydney (UTS), Australia and Financial Analysis Course from the same university with distinctions. He has many years of senior level financial, investment management, capital markets and general management experience in the country and abroad. He has worked as Country Finance Manager for a multinational Company and was Finance Director for a major local business conglomerate in Bangladesh. Mr. Islam worked for two years as Senior Consultant for an Investment Bank in Australia, focusing enterprise funding, valuations, initial public offerings, business acquisitions and research. He has been involved in Bangladesh capital market investment since 1990.

He has participated and led a number of initial public offerings (IPO), fund raising, valuations, deal negotiations, mergers and acquisitions in Australia and Bangladesh capital markets. Mr. Islam is a senior Chartered Accountant and a fellow member of the Institute of Chartered Accountants of Bangladesh.

Mr. Islam was a Government Nominated Director to the Board of Bangladesh Development Bank (BDBL), a bank created by merging Bangladesh Shilpa Bank (BSB) and Bangladesh Shilpa Rin Sangstha (BSRS). He is now working as Managing Director and CEO of Grant Thornton Consulting Bangladesh Ltd., one of the world's leading Professional Services and Consultancy Firm.

Mr. M Shafiqul Alam FCS, FCA

Managing Director

Mr. M. Shafiqul Alam FCS, FCA has an outstanding professional career. He has senior level corporate and financial management experience of more than 18 years with reputed local conglomerate and multinationals. He was Chief Financial Officer of three local business conglomerate. He also worked with two multinational companies as Finance Director. He is actively involved in Bangladesh capital markets for more than 20 years.

Mr. Alam has excellent knowledge in business, finance, investment management, capital markets, corporate affairs, Companies Act, BSEC, DSE and CSE rules & regulations. Mr. Alam is a senior Chartered Accountant and a fellow member of the Institute of Chartered Accountants of Bangladesh and also a fellow member of Institute of Chartered Secretaries of Bangladesh.

Mr. Md. Kamrul Hassan FCA

Director

Mr. Md. Kamrul Hassan FCA has an outstanding professional career. He has top level corporate and financial management experience with reputed local conglomerate and multinational company in abroad. He also worked for a leading multinational company in abroad for more than two years as mid-level management and gathered vast overseas experience in the field of Finance and Accounts. Mr. Hassan is directly involved in many investment decisions of the company.

Mr. Hassan is a Chartered Accountant and a fellow member of the Institute of Chartered Accountants of Bangladesh. He is also a member of the board of directors of a leading NBF of the country.

Professor Sherajul Hoque PhD
Independent Director

Professor Sherajul Hoque PhD an outstanding scholar in the field of Business, Economics, Investment and Global Trade is now working as a professor in the Faculty of Business Studies, University of Dhaka. Professor Sherajul Hoque obtained PhD in Global Marketing from the Faculty of Social Sciences and Economics of the University of Osnabruck, Germany in 2003 under German Academic Exchange Service Research Scholarship.

Dr. Hoque did his Masters of Commerce in Marketing from Dhaka University in 1989 and secured First Class First position. Earlier he did his Bachelor of Commerce with Honours in Marketing from the University of Dhaka in 1988 and secured First Class First position. Dr. Sherajul Hoque started his career with Investment Corporation of Bangladesh in 1989 as a Senior Officer. He later joined Dhaka University as Lecturer in the Faculty of Commerce in 1990. Mr. Hoque promoted as professor in the Faculty of Business Studies of Dhaka University in 2005.

Dr. Hoque has numerous publications in business, finance, investment and global trade in his credit. He has attended a number of international seminars on global trade, investment and capital markets.

Mr. Md. Amanullah
Chief Executive Officer (CEO)

Mr. Md. Amanullah has over 30 years of banking experience including very senior level working experience with country's top state owned commercial and development banks. Mr. Md. Amanullah was Managing Director of Bangladesh Shilpa Bank (BSB). He was Managing Director (Additional Charge) of Sonali Bank and was Deputy Managing Director and General Manager for the same bank. Mr. Amanullah joined Rupali Bank Limited as Senior Officer and worked in various capacities and later on assumed the position of Deputy General Manager of the same bank.

Mr. Amanullah has extensive exposure to Capital Markets, General Banking, Credit Management, Treasury Management, Core Risk Management and Project Finance. He was head of Investment and Business Development Committee of Sonali Bank and was head of Credit Division of Rupali Bank Limited. Mr. Amanullah was a nominated Director to the Board of Investment Corporation of Bangladesh (ICB).

Mr. Amanullah did his MBA from the Institute of Business Administration (IBA), Dhaka University. He had advance training on Economics, Money & Banking from FISK University, Tennessee, USA. He also attended a seminar on Credit Analysis at CITI Corp School of Banking, New York, USA.

Zakir Hussain Chowdhury
Manager (Investment)

Mr. Zakir Hussain Chowdhury worked in investment banking sector of the United States of America. He worked with LSMA Capital, Bloomberg of United States of America, prior joining to National Asset Management. He has adequate experiences in equity research, active portfolio management, financial data analysis, and corporate advisory services.

Mr. Chowdhury has excellent knowledge in money market, capital market, investment banking, corporate advisory, fundamental and technical analysis, securities analysis and valuation. Mr. Chowdhury did his Master of Science in Finance from Florida International University, United States of America.

Mr. Masum Alam
Senior Executive (Financial Analyst)

Mr. Masum Alam has over five years of experience in research, financial analysis, investment management, stock broking, finance and accounting with stock broking firms. He is analyzing listed securities with stock exchanges in National Asset Management Ltd with excellent track record since 2009. Mr. Masum Alam did his Masters of social science in Economics from Jagannath University.

Mr. Md. Delwar Jahan Rumi***Executive (Compliance and Risk Management)***

Mr. Md. Delwar Jahan Rumi is working as Executive - Compliance and Risk Management and is responsible for implementation of all compliance issues, introduction of relevant rules and regulation, preparation of monthly compliance & financial report for the management. He worked as Senior Officer (Finance & Accounts) at Padma Islami Life Insurance Ltd. Mr. Rumi got a professional affiliation with National Board of Revenue, Government of Bangladesh as an Income Tax Practitioner (ITP).

Mr. Rumi completed his Graduation and Masters of Business Studies in Accounting. Moreover, he obtained LL. B degree from National University of Bangladesh.

6.4 Auditors

The Trustee, ICB, has appointed Ahmed Zaker & Co. as the Auditor of the Fund for the 1st year. It is one of the reputed and oldest firms of the country. The trustee shall continue to appoint the subsequent Auditors throughout the tenure of the fund.

6.5 Fees and Expenses

The Fund will 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 will be at 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 of legal and consulting service, auditing, other professional fees and expenses, brokerage, share/debenture registration expenses and fees due to the BSEC. The Fund shall also bear all other incidental expenses including printing, publication and stationery relating to its smooth and fair operation. Major expenses of the Fund are detailed as follows:

6.5.1 Issue and Formation expenses

Issue and formation expenses are estimated to be not over 5% of collected amount. The expenses will be amortized within 7 (Seven) years on a straight-line method. The estimated expenses for the issue and formation of the Fund are presented below with the assumption of Taka 150,000,000 (Taka fifteen crore) to be collected:

SL	Type of Expenses	Percentage of total target fund	Total (Taka)	Sub Total (Taka)	Basis
1	Formation Fee Payable to AMC	1.00%	1,500,000	Set-fee	Formation fee to AMC on collected fund of approved fund size.
2	Management Fee for Pre-scheme formation period	0.45%	677,083	On Scheme	Management fee of AMC for pre-Scheme formation period as per BSEC directive (No SEC/CMRRCD/2009- 193/160) dated 28 May 2014.
3	Legal & Compliance related Expenses (Application, Registration fees etc.)	0.85%	1,279,750	10,000	BSEC Application Fees
				100,000	BSEC Annual Fees
				300,000	BSEC Registration Fees (0.2% of Initial Fund Size)
				100,000	Trust Deed Registration fee
				200,000	Legal advisory Fee
				500,000	CDBL Security Deposit

				61,250	CDBL Fee
				8,500	CDBL documentation and Connection Fee
4	Printing & Publication	1.67%	2,500,000	1,500,000	Publication of Abridged Version Prospectus, IPO Notification
				700,000	Printing of Prospectus
				300,000	Printing of Forms and Other Marketing Documents
5	Road Show and Marketing Expenses	0.33%	500,000	500,000	Marketing, Courier, Distribution, Road Show etc.
6	Other Expenses	0.45%	671,562	371,562	VAT on Registration fee, Formation fee, Management Fee.
				300,000	Post Issue manager, data processing and other related activities
Total			4.75%	7,128,395	

* The above costs are made in best estimates, which may vary in actual.

6.5.2 Management Fee

As per the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ the Fund shall pay a management fee to the Asset Management Company @ 2.50 percent per annum of the weekly average NAV up to Tk. 5.00 crore and @ 2.00 percent per annum for additional amount of the weekly average NAV up to 25.00 crore over Tk. 5.00 crore and @ 1.50 percent per annum for additional amount of the weekly average NAV up to Tk. 50.00 crore over 25.00 crore and @ 1.00 percent per annum for additional amount of the weekly average NAV over Tk. 50.00 crore, accrued and payable quarterly.

6.5.3 Trustee Fee

The Trustee shall be paid an annual Trusteeship fee @ 0.15% on the Net Asset Value (NAV) of the Fund semiannually in advance basis during the life of the Fund.

6.5.4 Custodian Fee

The Fund shall pay to the custodian for safekeeping of securities @ 0.15% of balance dematerialized and non-dematerialized securities held by the Fund calculated on the basis of average month-end value per annum. In addition, any out of pocket expenses may be applicable to the Fund operation from time to time.

6.5.5 Fund Registration and Annual Fee

The Fund has paid Tk. 300,000 (Taka Three lac) only to the Bangladesh Securities and Exchange Commission as registration fee. In addition, the Fund will have to pay @ 0.10% of the Fund value or Tk. 50,000 (Taka Fifty Thousand), whichever is higher, as annual fee in terms of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.

6.5.6 Commission Payable to Selling Agent(s)

The Fund shall pay commission to the authorized selling agent(s) to be appointed by the Asset Manager ranging at the rate of 1.00% (One Percent) to 2.00% (Two Percent) on the total face value of unit sales which may change in future with the approval of the trustee.

6.5.7 Audit Fee

The audit fee will be Tk. 20,000 (Taka Twenty Thousand only) plus VAT, if any for the first accounting year and the Trustee will fix fees for subsequent years.

6.5.8 Annual CDBL Fee

The annual CDBL fee will be Tk. 1,00,000 (Taka One Lac Only) plus VAT. Annual CDS connection fee will be Tk. 6,000 (Taka Six Thousand Only) plus VAT.

6.5.9 Amortization Expenditure

The initial issue expenses in respect of the Fund shall not exceed 5(Five) percent of the collected amount of the fund raised under the scheme and will be amortized within 7 (Seven) years on a straight-line method.

The total expense charged to the fund, except the amortization of initial issue expense and including transaction cost in the form of stock brokerage against buy and sale of securities forming a part of acquisition and disposal cost of such securities, transaction fees payable to the custodian against acquisition or disposal of securities, the annual registration fee payable to the Commission, audit fees, cost for publication of reports and periodicals, bank charge, etc., shall not exceed 4(Four) percent of the weekly average net asset outstanding during any accounting year.

6.5.10 Brokerage Commission

Brokerage Commission rate will be from 0.20(Point Two Zero) percent to 0.35 (Point Three Five) percent of the total amount of transactions.

6.5.11 Shariah Supervisory Fee

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

CHAPTER 7: CAPITAL STRUCTURE, TAX STATUS AND RIGHTS OF UNIT HOLDERS

7.1 Size of Issue

The initial size of the Fund shall be Tk. 15,00,00,000 (Taka Fifteen crore) only divided into 1,50,00,000 (One crore and fifty lac) Units of Tk. 10 (Taka Ten) each which may be increased from time to time by the Asset Manager 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:

Subscribers	No of units	Face Value (Tk.)	Amount (Tk.)	Remarks
Sponsor*	1,00,00,000	10	10,00,00,000	Subscribed
Public Subscription	50,00,000	10	5,00,00,000	To be Subscribed
Total	1,50,00,000		15,00,00,000	

* Units of the Sponsor's contribution amounting to Tk. 10,00,00,000 (Taka Ten crore) only shall be subject to a lock-in period of 3 (three) years from the date of floatation of the Fund.

7.2 Sponsor's Subscription

The Islami Bank Bangladesh Limited, the Sponsor, has already subscribed Tk. 10,00,00,000.00 for 1,00,00,000 units of Tk.10.00 each at par as per Rule 9 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.

7.3 Tax Status

The investment tax benefits of the fund would always comply with country's Finance Act and government tax policies. However, currently the following two benefits are available:

- Dividend income will be tax free up to Tk. 25,000 (Taka Twenty-Five Thousand) only, which is permitted as per Finance Act
- 15% investment tax rebate benefits

7.4 Rights of the Unit Holders

7.4.1 Ownership

Unit holders of the Fund shall preserve only the beneficial interest in trust properties on pro rata basis of their ownership of the Fund.

7.4.2 Periodic Information

All the unit holders of the Fund shall have the right to receive the Annual Report & Audited Accounts of the Fund. Moreover, NAV per unit will be informed to the unit holders on weekly basis through newspaper, the website of the Asset Manager, the Selling Agent(s) to be appointed by the Asset Manager from time to time and any other means as the Asset Manager may deem fit.

7.4.3 Dividend

All the unit holders have equal but proportionate right with respect to dividend.

7.4.4 Transfer of units: Units of the Fund are transferable by way of inheritance/gift and /or by specific operation of law. In case of transfer, the Fund will charge a nominal fee as determined by the Asset Manager except in case of transfer by way of inheritance.

7.4.5 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 Securities and Exchange Commission (Mutual Fund) Rules, 2001.

In case of show of hands, every unit holder presents 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.

7.4.6 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 Schemes.

7.4.7 Accounts and Information

The Fund's accounting year will be closed on 30th June every year. Annual report of major head of income and expenditure account and balance sheet in line with schedule V | of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ will 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 of alteration of the calculation of NAV of the fund will be published by asset manager as per বিধিমালা.

CHAPTER 8: UNIT SUBSCRIPTION

8.1 Terms and Conditions of Unit Subscription

- i. The Units of NAM IBBL Islamic Unit Fund, hereinafter referred to as the Fund, may be bought and surrendered through National Asset Management Ltd. and authorized selling agents appointed by NAML from time to time.
- ii. 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 minor or person of unsound mind.
- iii. 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 BO account.

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.

- iv. Minimum purchase amount for individual investors is 500 (Five hundred) Units and for institutional investors is 5,000 (Five thousand) Units.
- v. Application for purchase of Units should be accompanied by an account payee cheque/pay order/bank draft in favor of "NAM IBBL ISLAMIC UNIT FUND" for the total value of the Units.
- vi. After clearance/encashment of cheque/draft/pay order, the applicant will be issued with a Confirmation of Unit Allocation against every purchase of Units he/she/the institutional investor applies for. The units will also be delivered to the unit holder's BO A/C in "Demat" form.
- vii. Partial surrender is allowed without any additional cost subject to minimum surrender quantity is 500 (five hundred) Units both for individuals and institutions. Upon partial surrender, the Unit holder(s) will be issued with a new Confirmation of Unit Allocation representing the balance of his/her/their Unit holding.
- viii. The Units may be transferred by way of inheritance/gift and/or by specific operation of the law. In case of transfer, the Fund will charge a nominal fee as decided by the Asset Manager from time to time except in the case of transfer by way of inheritance.
- ix. Dividend may be delivered in cash or by way of Units under Cumulative Investment Plan (CIP) as the applicant gives option in the application form.
- x. All payments/receipts in connection with or arising out of transactions of the Units applied for shall be in Bangladeshi Taka.

8.2 Collection Bank and Selling Agent

Initially the Asset manager will collect the application through selling agent(s). They may appoint or cancel selling agent(s) with the approval of the Trustee and inform the Commission accordingly

CHAPTER 9: SALES AGENTS

9.1 Selling Agents

National Asset Management Ltd.
Green City Edge, Level-09,
89 Kakrail, Dhaka-1000.
Tel: +88 02 8300671, 8300672

The Asset Manager may appoint more willing stock broker(s)/ merchant bank(s)/ commercial bank(s)/ other organization(s)/ eligible individual(s) as selling agents as may be necessary or cancel any of the agents, subject to approval of the Trustee and with due intimation to the Commission.