

# ICL BALANCED FUND

An open-end Mutual Fund that invests in listed companies and fixed income securities, to strike a balance between future growth in investment and regular income for the investors

## ICL BALANCED FUND

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

<b>Initial Issue Size</b>	• BDT 100,000,000 (one hundred million)
<b>Initial No. of Units</b>	• 10,000,000 (ten million) Units
<b>Initial/Opening Price</b>	• BDT 10 (ten) per unit

### Sponsor & Asset Manager



### Custodian



### Trustee



<b>Initial Subscription Period</b>	<b>Date of Publication of the Prospectus</b>
↓	↓
<b>14th to 24th August, 2016</b>	<b>9th August, 2016</b>

### Registered Office

Evergreen Plaza" (1<sup>st</sup> Floor), 260/B, Tejgaon Industrial Area, Dhaka-1208

Tel: +880 2 9830776; Fax: +880 2 9831138

E-mail: [info@impresscapital.com](mailto:info@impresscapital.com)

Web: [www.impresscapital.com](http://www.impresscapital.com)

## Fund Directory

<b>Registered Office</b>	: Evergreen Plaza” (1 <sup>st</sup> Floor), 260/B, Tejgaon Industrial Area, Dhaka-1208 Tel: +880 2 9830776; Fax: +880 2 9831138
<b>Sponsor &amp; Asset Manager</b>	: <b>Impress Capital Limited</b> Evergreen Plaza” (1 <sup>st</sup> Floor), 260/B, Tejgaon Industrial Area, Dhaka-1208 Tel: +880 2 9830776; Fax: +880 2 9831138
<b>Trustee</b>	: <b>Bangladesh General Insurance Company Limited</b> 42, Dilkusha Commercial Area Dhaka - 1000 Bangladesh Tel: + 880 2 9555073-74
<b>Custodian</b>	: <b>BRAC Bank Limited</b> 1, Gulshan Avenue Dhaka - 1212 Bangladesh Tel: + 880 2 9884292
<b>Auditor</b>	: <b>ACNABIN</b> BDBL Bhaban (13th Floor) 12, Karwan Bazar C/A Dhaka - 1215 Bangladesh Tel: + 880 2 8144347-52
<b>Broker</b>	: <b>IDLC Securities Limited</b> DR Tower, 4 <sup>th</sup> Floor, 65/2/2 Bir Protik Gazi Golam Dostogir Road, (Box Culvert Road), Purana Paltan, Dhaka 1000. Tel: + 880 2 9571842
<b>Sales Agent</b>	: <b>IDLC Securities Limited</b> DR Tower, 4 <sup>th</sup> Floor, 65/2/2 Bir Protik Gazi Golam Dostogir Road, (Box Culvert Road), Purana Paltan, Dhaka 1000. Tel: + 880 2 9571842
<b>Banker</b>	: <b>PRIME BANK LIMITED</b> Branch: Tejgaon Shanta Western Tower, Level-02, 186, Bir Uttam Mir Shawkat Sarak, Dhaka-1208 Tel: + 880 2 8879157-8, +880 2 8879160  Head Office: Adamjee Court Annex, Building-2, 119-120, Motijheel C/A, Dhaka-1000, Bangladesh Tel: + 880 2 9567265, +880 2 9570747-8 PABX

### Fund Highlights

<b>Name</b>	: ICL BALANCED FUND
<b>Type</b>	: Open end Fund
<b>Life and Size of the Fund</b>	: Perpetual life and unlimited size
<b>Sponsor</b>	: Impress Capital Limited
<b>Asset Manager</b>	: Impress Capital Limited
<b>Trustee</b>	: Bangladesh General Insurance Company Limited
<b>Custodian</b>	: BRAC Bank Limited
<b>Initial Size of the Fund</b>	: BDT 100,000,000 (Taka Ten crores) divided into 10,000,000 (One crore) Units of BDT 10 (Taka ten) each
<b>Face Value</b>	: BDT 10 (Taka ten) per Unit
<b>Objective</b>	: The objective of the fund is to generate capital appreciation as well as regular income by investing in capital market & money market instruments at appropriate percentages as determined by the Asset Manager.
<b>Minimum Application Amount</b>	: BDT 1,000.00/- per application (100 Units) for individuals BDT 100,000.00/- per application (10,000 Units) for institutions
<b>Transparency</b>	: NAV will be calculated on a weekly basis and shall be published on the website of the Fund manager ( <a href="http://www.impresscapital.com">www.impresscapital.com</a> ) and as prescribed in the Rule.
<b>Target Group</b>	: 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.
<b>Dividend</b>	: Minimum 70 (seventy) per cent of realized income of the Fund will be distributed as dividend in Bangladeshi Taka each accounting year.
<b>Dividend Distribution</b>	: The dividend warrant will be distributed within 45 (forty five) days from the date of declaration.
<b>Transferability</b>	: The Units of the Fund are transferable by way of inheritance/ gift and/or by specific operation of the law.
<b>Encashment</b>	: The Unit holders can surrender and encash their Units to the Asset Manager and through selling agents appointed by the Asset Manager.
<b>Reports and Accounts</b>	: Every Unit holder is entitled to receive annual report along with the yearly and half-yearly statements of accounts as and when published.

## CHAPTER 1: PRELIMINARY

### 1.1 Publication of Prospectus for Public Offering

Impress Capital Limited has received registration certificate from the Bangladesh Securities & Exchange Commission under Securities & Exchange Commission Act, 1993 and সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, 2001 made thereunder and also received consent for issuing prospectus for public offering. A complete copy of the prospectus is available for public inspection at “Evergreen Plaza” (1<sup>st</sup> Floor), 260/B, Tejgaon Industrial Area, Dhaka-1208 the registered office of Impress Capital Limited – the asset manager of ICL BALANCED FUND, hereinafter referred to as “the Fund”.

### 1.2 Consent of the Bangladesh Securities and Exchange Commission

“APPROVAL OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THE FUND UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969 AND THE সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, 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 the 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 offices 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 for viewing and downloading on the website ([www.impresscapital.com](http://www.impresscapital.com)) of the Asset Manager.
- II. Copy of the trust deed will be available for public inspection during business hours at the office of the asset manager of the Fund. One 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 and Exchange Ordinance, 1969**

- I. The Fund shall not account for any upward revaluation of its assets creating reserve without clearance from the 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 BDT 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, 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 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 newspaper 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 form the sale price of units by rounding up the amount and shall be effective up to next calculation of NAV of the Fund. Difference between sale and repurchase price shall primarily be Tk. 0.30, which may be changed in future, but not be over 5% of the sale price 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 Bengali national daily newspaper. Provided that information relating to publication of prospectus in the form of advertisement be published in two 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 or at least BDT 10 Crores under section 48 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, 2001, it will refund the subscription money within 30 days from the closure of subscription 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 if only exceeds BDT 10 crores, the Fund is allowed to commence investment activities of the Fund with permission of the Trustee;
- XVII. The size of the Fund will be increased from time to time by the AMC subject to approval of the Trustee and with intimation to the Commission;
- XVIII. Confirmation of Unit Allocation of the sponsor's contribution amounting to BDT 20,000,000/- (Taka two crores) only shall be subject to a lock-in for a period of three years from the date of formation of the Fund and after that period, entire holding may be transferred, with approval of the BSEC, to any institution eligible to be a sponsor of a mutual fund.
- XIX. A Confirmation of Unit Allocation amounting BDT 20,000,000/- (20% 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 Confirmation of Unit Allocation letter shall be made without prior approval of the Commission.

#### **1.6 General Information**

- I. This prospectus has been prepared by Impress Capital Limited 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 are no other material facts, 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 Impress Capital Limited.
- 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**

Sale and repurchase of Units of ICL BALANCED FUND will commence at the counter of Impress Capital Limited, "Evergreen Plaza" (1<sup>st</sup> Floor), 260/B, Tejgaon Industrial Area, Dhaka-1208 and authorized selling agents at the opening of banking business hours on 4<sup>th</sup> of September, 2016 and continue until winding up of the Fund.

ICL will maintain BO accounts with BRAC Bank Ltd., custodian of ICL Balanced Fund for creation and redemption of units of ICL Balanced Fund. In this case sale/purchase of unit funds by the investor, units will be transferred to the unit holders BO accounts as per instruction of ICL after the acceptance of demat setup by the custodian.

In this case of redemption/repurchase of units by the Asset Manager, units will be taken out from the Central Depository System after setting up remat request by the custodian and acceptance of remat request by the Asset Manager.

## **CHAPTER 2: BACKGROUND**

### **2.1 Preamble to Formation of ICL BALANCED FUND**

Open-end unit fund is the most popular investment vehicle among individual and institutional investors worldwide, by investing in such funds, investors can avail professional investment management services. The fund managers thoroughly analyze economy, industries and companies to handpick the best stocks and build diversified portfolios. For anyone willing to invest in the capital market, but lacks time or expertise, investing through such vehicles is regarded globally to be the most prudent option. Therefore, considering the effectiveness and popularity of open-end unit fund globally, Impress Capital Limited with its own sponsorship took the initiative to launch this Fund. We intend to contribute to the development of the capital market by offering investors an efficiently managed fund on which they can rely upon. The parties to the Fund are: Impress Capital Limited as the Asset Manager and Sponsor, Bangladesh General Insurance Company Limited as the Trustee and BRAC Bank Limited as the Custodian of the Fund.

### **2.2 The Capital Market**

Capital market in Bangladesh has gone through turbulent times since the 2010 stock market crash. However, that led to a significant positive movement in regulatory activities. Since 2013 onward, our market has seen various positive initiatives. To list a few: Demutualization scheme of both bourses (DSE & CSE), formulated capital financing rules for venture capital & private equity, New public issue rules made book-building method mandatory for charging premiums etc. While such development is taking place in the capital market, in such vibrant time Impress Capital Limited has decided to launch a fund to give general investors access to various investment opportunities.

**2.3 Advantages of Investing in ICL BALANCED FUND** Following are the advantages the investors of ICL BALANCED FUND will enjoy:

- I. Investment Driven by Thorough Research**
- II. Diversification**
- III. Less Emotional Stress**
- IV. Increased IPO Quota**
- V. Tax Benefit**
- VI. Trading at Close to NAV**
- VII. Flexibility in Investment.**
- VIII. Transparent Operation & Extensive Disclosures**



## CHAPTER 3: THE FUND

### 3.1 Formation of the Fund:

The trust deed of the Fund was registered on March 29, 2016 under the Trust Act, 1882 and Registration Act, 1908. The Fund was registered by the BSEC on May 05, 2016 under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, 2001.

### 3.2 Life of the Fund:

The Fund will be open ended mutual fund with a perpetual life. Institutional, local & foreign individual, resident & non-resident investors are eligible to invest in this Fund. The initial target size of the fund will be Tk. 100,000,000 (Taka Ten Crore) only divided into 10,000,000 (One Crore) Unites 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 holder 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 100 (One hundred) units for Individuals and 10,000 (Ten Thousand) units for institutions.

### 3.4 Investment Objective:

The objective of the fund is to generate capital appreciation as well as regular income by investing in capital market & money market instruments at appropriate percentages as determined by the Asset Manager.

### 3.5 Investment Policies:

- 3.5.1 The Fund shall invest subject to the বিধিমালা and only in those securities, deposits and investments approved by the 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 these regards.
- 3.5.2 Not less than 60% of the total assets of the Scheme of the Fund shall be invested in capital market instruments out of which at least 50% shall be invested in listed securities.
- 3.5.3 Not more than 25% of the total asset of the Scheme of the Fund shall be invested in Fixed Income Securities (FIS).
- 3.5.4 Not more than 15% of the total asset of the Scheme of the Fund shall be invested in pre-IPOs at one time.

- 3.5.5 All money collected under the Fund shall be invested only in encashable/transferable instruments, securities whether in money market or capital market or privately placed pre-IPO equity, preference shares, debentures or securitized debts.
- 3.5.6 The Fund shall get the securities purchased or transferred in the name of the Fund.
- 3.5.7 Only the Asset Management Company will make the investment decisions and place orders for securities to be purchased or sold for the Scheme's portfolio.
- 3.5.8 Time to time updated investment restrictions notified by BSEC shall be enforced in the fund's investment decisions.

### **3.6 Investment Restrictions:**

- 3.6.1 The Fund shall not invest more than 10% of its total assets in any one particular company.
- 3.6.2 The Fund shall not invest in more than 15% of any company's paid up capital.
- 3.6.3 The Fund shall not invest more than 20% of its total assets in shares, debentures or other securities of a single company or group.
- 3.6.4 The Fund shall not invest more than 25% of its total assets in shares, debentures or other securities in any one industry.
- 3.6.5 The Fund shall not invest in, or lend to, any scheme under the same Asset Management Company.
- 3.6.6 The Fund shall not acquire any asset out of the Trust property, which involves the assumption of any liability that is unlimited or shall result in encumbrance of the Trust property in any way.
- 3.6.7 The Fund or the Asset Management Company on behalf of the Fund shall not give or guarantee term loans for any purpose or take up any activity in contravention of the বিধিমালা.
- 3.6.8 The Fund shall buy and sell securities on the basis of deliveries and shall, in all cases of purchases, take delivery of securities and in all cases of sale, deliver the securities on the respective settlement dates as per the custom and practice of the stock exchanges and shall in no case put itself in a position whereby it has to make short sale or carry forward transaction.
- 3.6.9 The Fund shall not involve in option trading or short selling or carry forward transaction.
- 3.6.10 The Fund shall not buy its own unit.

### **3.7 Valuation Policy:**

- 3.7.1 For listed securities, the average quoted market price on the stock exchanges on the date of valuation shall form the basis of any calculation of Net Asset Value of such securities in the portfolio of the Fund.
- 3.7.2 For securitized debts, debentures, margin or fixed deposits, the accrued interest on such instruments on the date of valuation shall be taken into account in any calculation of Net Asset Value of such securities in the portfolio of the Fund.

- 3.7.3 The fund shall fix the valuation method for the Scheme subject to the prior approval of the Commission.
- 3.7.4 The Fund shall follow the method approved by the Commission for valuation of the non-listed investment, if any, and the Asset Management Company and the Trustee shall periodically review the non-listed investment, if any, and the Trustee shall periodically review the value of such investments. The auditors shall comment in the annual report of the Scheme of the Fund.
- 3.7.5 The valuation of listed securities not traded within previous one month will be made based on their reasonable value by the Asset Management Company and approved by the Trustee and commented upon by the auditors in the Annual Report of the Scheme of the Mutual Fund but shall not be more than the intrinsic value of the securities.
- 3.7.6 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 Scheme.
- 3.7.7 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.
- 3.7.8 Asset Management Company and Trustee will value the non-listed securities at least once in every three months.
- 3.7.9 In case of deferred expenses, accrued expenses for the period will be taken into account for determining total liabilities.
- 3.7.10 Net Asset Value (NAV) calculation

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

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

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

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

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

### **3.8 Limitation of Expenses:**

- 3.8.1 The initial issue expenses in respect of the Fund shall not exceed 5% of the collected amount of the fund raised under the Scheme or any ceiling as determined by the AMC which is approved by the Commission and the Trustee. The Asset Management Company shall furnish a detailed breakdown of such expenses in the prospectus/offer document of the Fund.
- 3.8.2 The total expenses charged to any Scheme of the Fund, except the amortization of initial issue expenses and including transaction cost in the form of stock brokerage against buy and sale of securities forming a part of acquisition or disposal cost of such securities, transaction fees payable to the Custodian against acquisition or disposal of securities, the annual registration fees payable to the Commission, audit fees, cost for publication of reports and periodicals, bank charge, selling agent fees etc., shall not exceed 4% of the weekly average net assets outstanding of the Scheme during any accounting year.

### **3.9 Price Fixation Policy & Sale and Repurchase of Units:**

After completion of initial subscription, the Fund will be opened to the investors for regular buy/sale of Units. The date of re-opening shall be declared by 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 surrender value shall be 3% percent of the face value of the Unit and may increase up to 5% of the face value at the decision of the Board of Directors of the Asset Management Company. (The difference between sales price and surrender value shall not exceed 5% of the face value of the unit). The unit holders may surrender their unit certificates during the business hour as specified by the Asset Management Company. The fund shall be liable to repurchase the units at the surrender value determined by the Asset Management Company. Sale and repurchase of unit certificates by Asset Management Company shall remain closed during first two weeks of July unless the Commission decides otherwise.

#### **Sale and repurchase procedure is given below:**

- I. The Units of ICL BALANCED FUND may be bought / surrendered through Impress Capital Limited and authorized selling agents appointed by the Asset Manager from time to time and any other procedure as prescribed by the Asset Manager. Surrender of units is allowed only through Impress Capital Limited or the selling agent from which the units are originally purchased.

- II. During initial subscription minimum purchase amount for individual investors is 100 (One Hundred) Units and for institutional investors is 10,000 (Ten Thousand) Units.
- III. Application for purchase of Units should be accompanied by an account payee cheque/pay order/bank draft in favor of "ICL BALANCED FUND" for the total value of Units.
- IV. 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. If BO A/C is provided during the registration, 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 100 (One hundred) units for individuals and 10,000 (Ten Thousand) units for institutions. Upon partial surrender, the Unit holder will be issued with a new Confirmation of Unit Allocation representing the balance of his Unit holding.
- VI. All payments/receipts in connection with or arising out of transactions in the Units shall be in Bangladeshi Taka.

### **3.10 Winding up Policy:**

#### **3.10.1 Procedure of winding up:**

3.10.1.1 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 wound up.

3.10.1.1 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.

3.10.1.2 The Scheme may also be wound up if the Commission so directs in the interest of the unit holders.

3.10.1.3 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.

#### **3.10.2 Manner of winding up:**

3.10.2.1 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.

3.10.2.2 The Trustee shall dispose off the assets of the Scheme of the Fund in the best interest of the unit holders;

3.10.2.3 Provided that the proceeds of sale made in pursuance of the Rules, shall in the first instance be utilized towards discharge of such liabilities as are properly due under the Scheme and after making appropriate provision for meeting the expenses connected with such winding up, the balance shall be paid to the unit holders in proportion to their respective interest in the assets of the Scheme as on the date when the decision for winding up was taken.

3.10.2.4 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.

### 3.10.3 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

- a. Cease to carry on any business activities of the open-end fund;
- b. Cease to create and cancel unit of the open-end fund;

Cease to issue and redeem units of the open-end fund.

### 3.11 Fund Management:

Impress Capital Limited 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 or any general directions given by the Trustee and/or the Commission. However, Asset Manager shall have discretionary authority over the Fund's portfolio about investment decisions.

### 3.12 Dividend Policy:

3.12.1 The accounting year of the Fund shall be July 01 to June 30;

3.12.2 The Fund shall distribute minimum 70%, or as may be determined by the 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 or doubtful investments. The dividend can be given in the form of cash or cumulative investment plan unit both the option. The Fund shall create a dividend equalization reserve by appropriation from the income of the Scheme;

3.12.3 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;

- 3.12.4 Surpluses arising simply from the valuation of investments shall not be available for dividend;
- 3.12.5 Dividend warrants will be dispatched within 45 days from the declaration of such dividends.

## **CHAPTER 4: RISK FACTORS**

- I. Any mutual fund is subject to market risk and there is no assurance or guarantee that the objectives of the Fund will be achieved.
- II. Past performance of the Sponsor or Asset Manager does not indicate the assurance of better future performance and may not necessarily provide a basis of comparison with other investments to this Fund.
- III. As with any securities investment, the NAV of the Units issued under the Fund can go up or down depending on the factors and forces affecting the capital market and money market of the country.
- IV. The NAV of the Units issued under the Scheme may be affected, inter alia, by changes in the market, interest rate, performance of individual stock, changes in credit rating, trading volume, settlement period and transfer procedure.
- V. Investment in mutual fund involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- VI. Investors are not being offered any guaranteed or assured return from this Fund.
- VII. In the event of a very large number of repurchase requests, there may be delays in the delivery of the payment.
- VIII. Government policy and tax laws may change, affecting the return on investment in Units of the Fund.
- IX. Bangladesh has been prone to natural disasters and political instability. Undesirable events as such may impact the value and performance of the fund.

## **CHAPTER 5: FORMATION, MANAGEMENT & ADMINISTRATION**

### **5.1 Sponsor & Asset Manager of the Fund**

Impress Capital Limited (ICL) is a part of Impress Group, one of the largest conglomerates in Bangladesh. Impress Group has investments in diversified sectors including mass media (Channel-I), pharmaceuticals (INCEPTA), ready-made garments (INCTL), aviation, construction, etc. At present, the group has over 16,000 employees and experiencing an annual turnover of approximately USD 300 million. Impress Capital Limited is the newest inclusion in the group, by which Impress Group dreams to acquire a strong position in the capital markets.

ICL started its journey in 2015 by offering institutional fund management service, and now ICL is planning to launch its flagship mutual fund “**ICL BALANCED FUND**”. ICL fund management expertise is rooted in extensive industry knowledge and the broad corporate finance and capital markets experience of our professionals, both in Bangladesh and abroad. In future we would like to be known for this open-end mutual fund.

### **5.2 Trustee of the Fund**

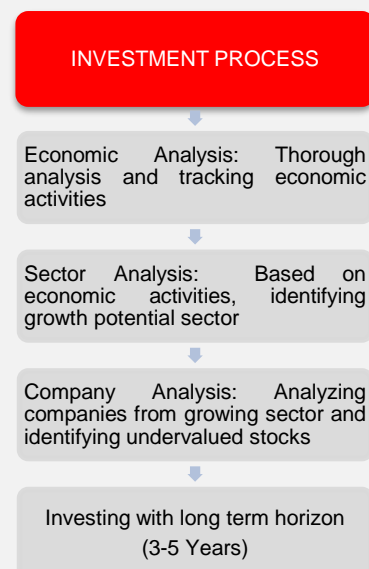
Bangladesh General Insurance Company Limited (BGIC) will act as the Trustee of the Fund. BGIC, incorporated on 29 July 1985, is the first private sector general insurance company in Bangladesh. BGIC has a proven record of being Trustee for existing mutual Funds and zero coupon bonds. Its dynamic team of dedicated professionals is of superior underwriting and Trustee skill. The company has authorized capital of BDT 1,000 million and paid up capital of BDT 540.3 million and is listed on both the DSE and the CSE.

### **5.3 Custodian of the Fund**

BRAC Bank Limited (BBL) is the Custodian of the Fund. BBL, operating in Bangladesh since 2001, is one of the fastest growing private commercial banks of the country with 82 branches, 48 Krishi branches and 22 SME Sales & Service Centers. BBL provides personal banking, trade financing, SME, retail and corporate credit, lease financing, project financing, issuing debt and credit cards, SMS banking, internet banking, phone banking, call center, remittance facilities, dealing in government securities, custodial services etc. BBL is the fastest growing Custodian bank of the country having dedicated Custodial Services Department.



#### 5.4.1 INVESTMENT MANAGEMENT PROCESS



Our investment team conducts thorough analysis on economic condition, changes in monetary and fiscal policies. Keep a close eye on global and local economic forecasts for 3-5 Years.

Based on economic analysis, our team selects a list of sectors with the highest potential. And forecasts sector growth and size in the coming 3-5 Years.

Based on economic and sector forecasts, our team thoroughly analyzes companies and forecasts company's cash flows for the coming 3-5 Years.

Based on fair values determined for the companies using discounted cash flows and other multiple methods, our team selects the list of securities for investments.

Finally, by observing the appropriate time (when the market is in bearish run), we build an optimized portfolio and intend to hold the

stocks for 3-5 Years in order to enjoy regular dividend income followed by with long term capital appreciation.

#### 5.4.2 The Brief Profiles of the Management Team are as follows:

##### **Meer Sajed-UI-Basher, FCA (CEO & Managing Director)**

Mr. Sajed has over 20 years of experience in the field of business development, accounting, finance and auditing. Prior to joining the Impress Group, Mr. Sajed served as the Group Chief Financial Officer of Mutual Trust Bank Limited and also served in IDLC Finance Limited, Motorola etc. in various capacities both home and abroad. Mr. Sajed has attended various training programs including Auditing, IAS/IFRS, Professional Risk Management, Business Process Re-Engineering, Sustainable Financial Development, Impact Investments etc.

##### **Md. Shiful Islam (Investment Consultant)**

Mr. Shiful has joined Impress Capital Limited with around seven years of extensive experience in equity research and structured finance. Mr. Shiful has worked as 'Head of Research' at IDLC Investments Limited before joining Impress Capital Limited as an Investment Consultant. Mr. Shiful completed B.B.A (Major in Finance) from University of Dhaka and passed Level II of Chartered Financial Analyst (CFA)

##### **Sajedul Huda (Compliance Manager)**

Mr. Huda has proficiency in corporate governance and securities laws. Mr. Huda completed BBA and MBA from University of Dhaka and is pursuing the final level of Chartered Accountancy. Previously worked at Rahman Rahman Huq (KPMG in Bangladesh), and has been with Impress Capital Limited for the last one year.

## 5.5 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 bear its own costs and expenses incurred/accrued in connection with its formation, promotion, registration, public offering together with certain other costs and expenses incurred in its operation, including without limitation expenses 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 the other incidental expenses including printing, publication and stationery relating to its smooth and fair operation. Major expenses of the Fund are detailed as follows:

### 5.5.1 Issue and Formation Expenses

Initial issue and formation expenses are estimated not to be over 5 (five) per cent of the initial target size of BDT 100,000,000.00 (Taka Ten Crores) only. The issue and formation 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:

SL	Type of Expenses	Percentage of total Target Fund	Total Tk.	Sub Total / Details	Description
1	Formation fee payable to AMC	1.00%	1,000,000/-	Set-fee	Formation fee to AMC on collected fund of approved fund size
2	Management fee for pre-scheme formation period	0.25%	2,241,780/-	On scheme	Management fee of AMC for pre-Scheme formation period (Approximate) as per BSEC Directive (no. SEC/CMRRCD/2009-193/160) dated May, 28, 2014
3	Legal & Compliance related expenses (Application, registration fees etc.)	0.349%	349,000/-	10,000/-	BSEC Application fees
				2,30,000/-	BSEC Registration fees(0.2% of initial fund size with VAT)
				17,500/-	CDBL fee (Distribution of 1 cr Units X Tk 10X0.00015 CDBL fee rate = Tk. 30,000; CDBL documentation fee = Tk. 2,500;
				91,500/-	Trust deed registration fee
4	Printing & publication	1.7%	1,250,000/-	2,00,000/-	Printing of prospectus
				7,00,000/-	Publication of abridge version of prospectus and IPO notification on daily newspaper
				3,00,000/-	Road show for IPO
				50,000/-	Courier and distribution expenses
5	Other expenses	0.05%	100,000/-	50,000/-	Post issue manager/ data entry, data processing and other related job
				50,000/-	Other/ misc.
Total		4.94%	4,940,780/-		

### 5.5.2 Management Fee

As per the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, 2001 the Fund shall pay the following management fee:

Asset Under Management	Income Sharing
Not more than 5 crore	Not more than 2.5% of the average weekly net wealth during accounting year
In excess of first 5 crore till 25 crore	Not more than 2% of the average weekly net wealth during accounting year
In excess of second 25 crore till 50 crore	Not more than 1.5% of the average weekly net wealth during accounting year
In excess of third 50 crore and till infinity	Not more than 1% of the average weekly net wealth during accounting year

### 5.5.3 Trustee Fee

The Trustee shall be paid an annual Trusteeship fee of Taka 200,000 (two hundred thousand) only or @ 0.10% of the Net Asset Value (NAV) of the Fund whichever is higher on semi-annual in advance basis, during the life of the Fund applicable from the effective date (the date of registration of this Trust Deed).

### 5.5.4 Custodian Fee

The Fund shall pay to the Custodian a safe keeping fee @ 0.05% of balance securities held by the Fund calculated on the basis of average market value per month. Besides this the fund will bear all other expenses viz (a) transaction fee of BDT 200 per transaction, (b) local duties and fees like stamp duty on transactions, stamp duty on transfer deed, (c) Levies, brokerage, registrars fees, local council/counsel/representation, external auditor's at the client's requests, depository fees etc. However a fee cap of 0.07% per annum on securities held by the fund, calculated on the average market value per month would be applicable if the total expenses (including custodian fees, transaction fees & other expenses, mentioned above) per annum go higher than the mentioned fee cap amount. The fee for custodian service will be realized semiannually.

### 5.5.5 Fund Registration and Annual Fee

The Fund has paid BDT 230,000 (Two lacs thirty thousand Taka including VAT) only to the Bangladesh Securities and Exchange Commission as registration fee. The fund has also incurred BDT 91,500 as Trust Deed Registration Fee. In addition, the Fund will have to pay @ 0.10 percent of the Fund value or BDT 50,000 (Taka fifty thousand), whichever is higher, as annual fee in terms of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, 2001.

### 5.5.6 Commission Payable to Selling Agent(s)

The Fund shall pay commission to the authorized selling agent(s) to be appointed by the Asset Manager at the rate of 100 basis points on total face value amount of the unit sales.

### 5.5.7 CDBL Fee

The fixed Annual fee of CDBL will be Tk. 50,000 plus VAT. Annual Central Depository System (CDS) connection fee will be Tk. 6,000 plus VAT.

#### 5.5.8 Brokerage Fee

The fund will pay to the stock broker commission of 0.23%-0.40% of the total amount of transaction including Howla, Laga, CDBL fees and any other associated costs.

#### 5.5.9 Amortization of Issue and Formation Expenses

The initial issue expenses in respect of the fund shall not exceed 5(five) percent of the collected amount of the fund rose 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 expenses and including transaction cost in the form of stock brokerage against buy and sell of securities forming a part of acquisition and disposal cost of such securities, transaction fee payable to the custodian against acquisition or disposal of securities, the annual registration fees payable to the commission, audit fees, cost for publication of reports and periodicals, bank charge, etc shall not exceed 4 (Four) percentage of the weekly average net asset outstanding during any accounting year.

#### 5.5.10 Audit Fee

The audit fee will be BDT 40,000 (Taka forty thousand) only plus 15% VAT, for the first accounting year and the Trustee will fix fees for subsequent years.

#### 5.6 Auditors

ACNABIN, BDBL Bhaban (13th Floor), 12, Karwan Bazar, Dhaka - 1215, has been appointed as the auditor of the Fund for the first year. Subsequent auditors shall be appointed by the Trustee.

## CHAPTER 6: SIZE OF THE FUND AND RIGHTS OF UNIT HOLDERS

### 6.1 Size of Issue

The initial size of the Fund shall be BDT 100,000,000 (Taka Ten crores) only divided into 10,000,000 (one crore) Units of BDT 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:

Subscriber	Number of Units	Face Value (Taka /Unit)	Amount (Taka)	Status
<b>Sponsor:</b> Impress Capital Limited (ICL)	2,000,000	10	20,000,000	Subscribed
<b>Private Placement:</b> Tanteez Textiles Limited	3,000,000	10	30,000,000	Subscribed
<b>General Investors</b>	5,000,000	10	50,000,000	Yet to be subscribed

## **6.2 Sponsor's Subscription**

Impress Capital Limited, the sponsor, has already subscribed BDT 20,000,000 (Taka two crore) only worth of Units equivalent to 2,000,000 (Twenty Lac) Units of BDT 10 (ten) each at par on 30 March, 2016, the effective date.

## **6.3 Rights of the Unit holders**

### **6.3.1 Voting Rights**

All the Unit holders shall have usual voting rights. Voting right can be exercised in person or by proxy in a meeting held in connection with any proposal to amend the characteristics of the Fund or any other agenda of meeting called by the Trustee in the circumstances mentioned in the Trust Deed or the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, 2001. In case of show of hands, every Unit holder present in person or/and by proxy shall have only one vote and on a poll, every Unit holder present in person and/or by a proxy shall have one vote for every Unit of which he/she is the holder.

### **6.3.2 Transfer of Units**

Units of the Fund are transferable by way of inheritance/gift and/or by specific operation of law.

### **6.3.3 Dividend**

All the Unit holders have equal but proportionate right in respect of dividend.

### **6.3.4 Periodic Information**

All the Unit holders of the Fund shall have the right to receive the annual report and audited accounts of the Fund. Moreover, the Unit holders shall be informed of the NAV of the Fund on weekly basis through 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.

### **6.3.5 Accounts and Information**

The Fund's financial year will be closed on 30 June every year. Annual report or major head of income and expenditure account and balance sheet in line with schedule VI of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, 2001 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 or alteration of the calculation of NAV of the Fund will be published by the asset manager as per বিধিমালা.

### **6.3.6 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.

## CHAPTER 7: UNIT SUBSCRIPTION (TERMS & CONDITIONS)

- I. The Units of ICL BALANCED FUND may be bought and surrendered/repurchased through Impress Capital Limited and authorized Selling Agents appointed by the Asset Manager 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 a firm, minor or persons 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 100 (One hundred) Units and for institutional investors is 10,000 (Ten thousand) Units.
- V. Application for purchase of Units should be accompanied by an account payee cheque/pay order/bank draft/deposit slip in favor of “**ICL BALANCED 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.
- VII. Partial surrender is allowed without any additional cost subject to minimum surrender quantity is 100 (One hundred) Units for individuals and 10,000 (Ten Thousand) Units for 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 will be delivered only in the form of cash
- X. All payments /receipts in connection with or arising out of transactions of the Units applied for shall be in Bangladeshi Taka.

## CHAPTER 8: SALES AGENTS

The following organizations have shown interest and have been appointed to act as the selling agents of the Fund by the Fund manager:

SI No.	Name of the Selling Agent	Type of Business
1	IDLC Securities Limited	Brokerage House

The asset manager in future may appoint other organization as its agent or cancel any of the agents named above subject to approval of the Trustee and with due intimation to the BSEC.

### List of Branches of IDLC Securities Limited:

Branch Name	Contact Address
Head Office	Peoples Insurance Bhaban 36, Dilkusha Commercial Area, Dhaka-1000, Tel : +88-02-9571842
Gulshan	IDLC Securities Limited South Avenue Tower (5 <sup>th</sup> floor), Unit No: 502, House No: 50, Road No: 3, 7 Gulshan Avenue, Dhaka- 1212, Tel : +88-02-9883898, +88-02-9889861
DOHS	House No: 109, Park Road, Block- A, New DOHS Mohakhali, Dhaka- 1206. Tel : +88-02-8715081, +88-02-8715287
Narayanganj	Sattar Tower (Ground floor), Municipal Holding No. 50 S.M. Maleh Road, Tanbazar, P.S - Narayanganj, Tel : +88-02-7632891; +88-02-7632894
Dhanmondi	Concord Royal Court (2nd Floor), House No: 275/G (Old) 40 (New), Road: 27 (Old) 16 (New), Dhanmondi R/A, Dhaka-1209. Tel : +88-02-9102991-3
Uttara	Monsur Complex (4th floor), Plot No. 59/A, Road No. 7, Sector # 4, Uttara Model Town, Dhaka 1230. Tel : +88-02-8959392; +88-02-8959046
Gazipur	Rahmat Tower (2nd Floor), Holding No. 1034, Mouza: Outpara, Joydebpur, Gazipur 1700 Tel : +88-02-9263503; +88-02-9263505
Agrabad	Ayub Trade Centre (6th Floor), 1269/B, Sk. Mujib Road, Agrabad C/A, Chittagong - 4100. Tel : +88-031-2514051-52
Khatungonj	Golsen Park, M.H No. 3/A (4th floor), Ramjoy Mohajan Lane, Khatungonj, P.S. Kotwali, Chittagong Tel : +88-031-2866491-3
Sylhet	Casablanca (2nd Floor), 982, Dargah Gate, Sylhet 3100 Tel : +88-082-17282841-3

