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Abridged Prospectus

CAPM Unit Fund

Initial Issue size of Tk. 100,000,000.00 (one hundred million) of 1,000,000 (one million) Units of Tk. 100.00 (one hundred) each

Initial/Opening Price of Tk. 100 (One Hundred) each

Initial Subscription Period: 19 March 2014 – 02 May 2014

The Sponsor



The Trustee



The Asset Manager



The Custodian

Registered Office

Flat-A-2, Plot- 07, Road 17, Rupsha Tower, Banani C/A, Dhaka 1213, Bangladesh

Tel: + 88-02-9856268, 9856269

E-mail: contact@capmbd.com

Website: www.capmbd.com

Date of Publication of Prospectus

16 March 2014 in The Daily Prothom-Alo and in The Financial Express

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

Full Version of Prospectus is available in the Website of AMC (www.capmbd.com).

Fund Highlights

Fund Name	CAPM Unit Fund
Face Value	Tk. 100.00 (one hundred) per Unit
Nature	Open end fund with perpetual life and unlimited size
Sponsor	CAPM (Capital & Asset Portfolio Management) Company Limited
Trustee	Bangladesh General Insurance Company Limited (BGIC)
Custodian	BRAC Bank Limited
Asset Manager	CAPM (Capital & Asset Portfolio Management) Company Limited
Auditor	Hoda Vasi Chowdhury & Co.
Initial Size of the Fund	Initial Size Tk. 100,000,000.00 (one hundred million) of 1,000,000 (one million) Units of Tk. 100.00 (one hundred) each.
Objective	To Achieve long term capital appreciation with regular dividend income by investing in a diversified portfolio predominantly consisting of equity and debt related securities of Bangladesh Capital Market. The second objective is to outperform Bangladesh price inflation in the long run.
Prospective Investors	Individuals as well as the institutional investors are eligible for investment in the Fund from home and abroad
Online Based Transaction	The Subscription and Redemption of the fund will be performed through a dedicated online transaction module incorporated in the website of CAPM (www.capmbd.com).
Price Disclosure	NAV will be calculated on weekly basis and shall be published on the website of the Asset Management Company (www.capmbd.com) and as prescribed in the Rule. Investors will also be able to know the Subscription and Redemption price through SMS inquiry in future.
Dividend	The fund shall distribute minimum 70 (seventy) percent of realized income as dividend in each accounting year. The fund may declare dividend in quarterly, semiannually and/or annually as decided in the trustee meeting based on the earnings.
Dividend Distribution	The cash dividend warrant will be distributed within 45 (forty five) days from the date of declaration. The Stock dividend will also be allocated to each investors individual IDs 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 operations of the law.
Surrender or Encashment	The Unit holders can surrender and encash their Units to the Asset Manager through the Asset management company, selling/transaction agents and independently through the online module of the Asset Manager on all working days except initially on Thursdays and during book closure period of the Fund.
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.
Tax Benefit	15% tax rebate benefit on the investment amount upto 30% of income or Tk. 1.5 Crore whichever is lower Dividend income from the fund is tax exempted upto Tk. 25,000.00
Re-investment	There is a Cumulative Investment Plan wherein the investors can re-invest the income of the fund at the prevailing sale price.

List of Transaction Agents

1. Trust Bank Limited

Branch Name	Branch Name
Agrabad Branch	Kadamtali Branch
Amirabad Lohagara Branch	Kafrul Branch
Ashugonj Branch	Kawran Bazar Branch
Ashulia Branch	Keraniganj Branch
Banani Branch	Khagrachari Branch
Bandarban Branch	Khaja Yunnis Ali Medical College & Hospital Branch
Barisal Branch	Khatunganj Branch
Beanibazar Branch	Khawja Garib Newaz Avenue
Bhairab Branch	Khulna Branch
Bir Uttam Shaheed Mahboob Cantonment Branch	Kishorgonj Branch
Bogra Cantonment Branch	Millenium Corporate Branch
Cda Avenue Branch	Mirpur Branch
Chittagong Cantonment Branch	Mohakhali Branch
Chowmohoni Branch	Momenshahi Cantonment Branch
Comilla Branch	Mongla Branch
Comilla Cantonment Branch	Moulvibazar Branch
Cox's Bazar Branch	Munshiganj Branch
Dayarampur Branch	Narayangonj Branch
Dewan Bazar Branch	Narsindi Branch
Dhamrai Branch	Naval Base Branch
Dhanmondi Branch	Patuatuly Branch
Dilkusha Corporate Branch	Principal Branch
Elephant Road Branch	Prograti Sarani Branch
Faridpur Branch	Radisson Water Garden Hotel Branch
Feni	Rajendrapur Cantonment Br.
Goalabazar Branch	Rajshahi Branch
Gopalganj Branch	Rangamati Branch
Gulshan Corporate Branch	Rangpur Cantonment Branch
Hali Shahar Branch	Saidpur Branch
Head Office	Savar Cantonment Branch
Jahanabad Cantt Branch	Sena Kalyan Bhaban Branch
Jalalabad Cantonment Branch	Shaheed Salauddin
Jessore Cantonment Branch	Shahjalal Uposhahor Branch
Jhenaidah Branch	Sreenagar Branch
Joydevpur Branch	Sylhet Corporate Branch
Joypara Branch	Tongi Branch
Jubilee Road Branch	Uttara Corporate branch

2. LankaBangla Securities Limited

Branch Name	Branch Name
Corporate Office	Khatungonj Branch
Banani Branch	Narayanganj Branch
Chittagong Office	Nasirabad Branch
Comilla Branch	Principal Branch
Islampur Branch	Sylhet Branch
Karwan Bazar Branch	

3. BRAC EPL Stock Brokerage Limited

Branch Name	Branch Name
Head Office	Comilla Branch
Registered Office	Chowmuhani Branch
Gulshan Branch	Sylhet Branch
Chittagong Branch	

4. Be Rich Limited

Branch Name	Branch Name
Central Office	A K Khan Office
Chawkbazar Office	CEPZ Office
Dhaka Office	Cox's Bazar Office
GEC Office	Rangpur Office
Asadgonj Office	

List of Application Collection Bank

One Bank Limited

Branch Name	Branch Name
Banani Branch	Comilla Branch
Banasree Branch	Cox's Bazar Branch
Bangshal Branch	Dagon Bhuiyan Branch
Bashaboo Branch	Dovashi Bazar Branch
Dhanmondi Branch	Feni Branch
Elephant Road Branch	Halishahar Branch
Ganakbari (EPZ) Branch	Hathazari Branch
Gulshan Branch	Jubilee Road Branch
Imamganj Branch	Khatungonj Branch
Jagannathpur Branch	Laksham Branch
Jatrabari Branch	Maijdee Court Branch
Joypara Branch	Mandari Bazar Branch
Kakrail Branch	Nanupur Bazar Branch
Kawran Bazar Branch	Raipur Branch
Lalbagh Branch	Ramganj Branch
Madhabdi Branch	Rangamati Branch
Mirpur Branch	Ranirhat Branch
Moghbazar Branch	Raozan Branch
Motijheel Branch	Sitakunda Branch
Narayangonj Branch	Bogra Branch
Nawabgonj Branch	Rajshahi Branch
Principal Branch	Shahjadpur SME/Agriculture Branch
Progoti Sharani Branch	Sirajgonj Branch
Ring Road Branch	Rangpur Branch
Tongi SME/Agriculture Branch	Jessore Branch
Uttara Branch	Khulna Branch
Agrabad Branch	Satkhira Branch
Boalkhali Branch	Barisal Branch
Brahmanbaria SME/Agriculture Branch	Laldighirpar Branch
CDA Avenue Branch	Islampur Branch
Chandgaon Branch	Sherpur Branch
Chandragonj Branch	Sylhet Branch
Chowmuhuni Branch	

1. Preliminary

1.1 Publication of Prospectus for Public Offering

CAPM (Capital & Asset Portfolio Management) Company Limited has received registration certificate from the Bangladesh Securities & Exchange Commission under Bangladesh Securities & Exchange Commission Act, 1993 and সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ made thereunder and also received consent for issuing prospectus for public offering. A complete copy of the prospectus is available for public inspection at Flat # A-2, Plot # 07, Road # 17, Rupsha Tower, Banani C/A, Dhaka 1213 – the registered office of CAPM (Capital & Asset Portfolio Management) Company Ltd – the Asset Manager of CAPM Unit 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 BANGLADESH SECURITIES AND EXCHANGE ORDINANCE, 1969 AND THE সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS APPROVAL THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE FUND, ANY OF ITS SCHEMES OR THE ISSUE PRICE OF ITS UNITS OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ASSET MANAGER, TRUSTEE, SPONSOR AND/OR CUSTODIAN.”

1.3 Listing of Fund

The Fund, being an open-ended one, will not be listed with any stock exchanges of the country. Units of the fund will always be available for Subscription and Redemption at the head office of the CAPM (Capital & Asset Portfolio Management) Company Limited and designated transaction agents. CAPM (Capital & Asset Portfolio Management) Company Limited shall disclose weekly Subscription and Redemption prices of units as per the বিধিমালা.

1.4 Availability of Documents for Inspection

1. Copy of this Prospectus will be available with the offices/branches of authorized transaction/selling agents and at the head office of CAPM (Capital & Asset Portfolio Management) Company Limited and also available at the website of Bangladesh Securities and Exchange Commission (www.secbd.org) and CAPM (Capital & Asset Portfolio Management) Company Limited (www.capmbd.com).
2. Copy of the Trust Deed, the Investment Management Agreement and the Prospectus may be inspected during the business hours at the head office of the Asset Management Company of the Fund. One may also purchase a copy of the trust deed by paying the price as determined by the Asset Manager.

1.5 Conditions under Section 2CC of Bangladesh Securities and Exchange Ordinance, 1969

All the conditions under Section 2CC of Bangladesh Securities and Exchange Ordinance, 1969 is available in full prospectus of CAPM Unit Fund.

1.6 General Information

All the contents of this section are available in full prospectus of CAPM Unit Fund.

1.7 Sale and Repurchase of Units

Sale/Subscription and Repurchase/Surrender of units of CAPM Unit Fund will commence at the counter of registered office of CAPM (Capital & Asset Portfolio Management) Company Ltd, and

authorized selling/transaction agents at the opening of banking business hours on,
..... and will continue until winding up of the Fund.

1.8 Meticulous Declaration

CAPM (Capital & Asset Portfolio Management) Company Limited will remain liable for any loss of unit holders, if occurs for any technical failure or damage.

1.9 Declaration of Responsibilities

The declaration of responsibilities by the Sponsor, Trustee, Custodian and Asset Manager of the fund is available in full prospectus of CAPM Unit Fund.

2. Investment Benefits

2.1 Preamble to Formation of CAPM Unit Fund

This section is available in full version of the prospectus of CAPM Unit Fund.

2.2 Necessity of CAPM Unit Fund under current circumstances of the capital market

This section is available in full version of the prospectus of CAPM Unit Fund.

2.3 Advantages of Investing in CAPM Unit Fund

- **Convenience:** CAPM Unit Fund eliminates the cumbersome processes of buying, selling and safekeeping of paper certificates. This fund will only issue units in electronic form. Easy online based subscription and redemption processes as well as use of modern banking services will enable investors to encash the units at a shortest possible time. So, this instrument will enjoy high liquidity.
- **Safety:** The CAPM Unit Fund will be the safest investment instrument in terms of both lower return volatility and security of investment. The fund will issue the units in electronic form and thus eliminates the associated problems of safekeeping of paper certificate. The unit subscription and redemption data will be stored separately in two different places at the same time; to the Custodian of the fund in addition to the Asset Manager.
- **Automated Transaction Processes:** All the transactions of CAPM Unit Fund will be performed on the online based transaction module in electronic form. Initially the transaction agents will facilitate the registration of Investors and help them to purchase, redeem or transfer the units. In near future, investors themselves can perform the transactions of their units using the dedicated platform provided by the asset manager.
- **Liquidity:** The CAPM Unit Fund will be the most liquid unit fund to date. The unit holder of the fund will be able to redeem the units of the fund to the asset manager on all working days except initially on Thursdays and during book closure period of the Fund. The redemption request of amount below or equal to Tk. 5000.00 (five thousand) only will be processed instantly within the day, which will make CAPM Unit Fund a highly liquid investment tool for its investors.
- **NAV Based Pricing:** Purchase and redemption price of CAPM Unit Fund will be fixed at least once a week based on the Net Asset Value (NAV). As the price is not fixed by demand and supply of the fund in the market, the risk of abnormal price fluctuation can be avoided for CAPM Unit Fund compared to exchange traded stocks and other closed end mutual funds.
- **Easy Access to Information:** Investors will be able to get their individual fund related information by visiting the website of the asset management company (www.capmbd.com). In future they will be able to observe their investment status by logging in to their individual investor ID and they will also be able to easily get the basic information through SMS inquiry.
- **Cumulative Investment Plan:** The Cumulative Investment Plan option will provide the investors with opportunity to re-invest the dividend to the fund's units at the prevailing market prices.

- **Tax Benefit:** The unit holders of the fund will enjoy tax benefits in two ways;
 - 15% tax rebate benefit on the investment amount upto 30% of income or Tk. 1.5 Crore whichever is lower
 - Dividend income from the fund is tax exempted upto Tk. 25,000.00 only

3. The Fund

3.1 Formation of the Fund

The Trust Deed of the Fund was registered on 24 March 2013 under the Trust Act, 1882 and Registration Act, 1908. The Fund was registered by the BSEC on May 05, 2013 under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, 2001. The Fund received consent for issuing Prospectus for public offer from BSEC on 2013.

3.2 Life of the Fund

The Fund will be an open-end Mutual Fund with a perpetual life established to broaden the base of investment and develop the capital market. Institutional, local and foreign, and individual investors, resident and non-resident, are eligible to invest in this Fund. The initial target size of the Fund will be of Tk. 100,000,000.00 (one hundred million) only divided into 1,000,000 (one million) units of Tk. 100.00 (one hundred) each. Size of the Fund will be increased from time to time by the Asset Management Company subject to approval of the Trustee and with due intimation to the BSEC.

3.3 Face Value and Denomination of the Fund

Face value of each unit will be Tk. 100.00 (one hundred) and the market lot will be of 10 (ten) units. Unit holders of the Fund shall be issued with electronic units of the fund by the Asset Management Company at the cost of the Fund in any denomination.

4. Investment Objectives and Policies

4.1 Investment Objective

To achieve long term capital appreciation with regular dividend income by investing in a diversified portfolio predominantly consisting of equity and debt related securities of Bangladesh Capital Market. The second objective is to outperform Bangladesh price inflation in the long run.

4.2 Important Policies Regarding Investments and Operations of the Fund

The Fund shall invest by maintaining the Rules and Regulations of Trust Deed of the Fund, সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, and Exchange Commission and/or the Bangladesh Bank and/or the Insurance Regulatory Authority (IDRA) of Bangladesh or any other competent authority in this regards.

4.3 Investment Restrictions

In making investment decisions, the restrictions imposed in Rule 56 of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ and Trust Deed of the fund shall be taken under consideration.

4.4 Valuation Policy

The Fund intends to determine its NAV per unit on the last business day of each week by dividing the value of the net asset of the Fund (the value of total assets less total liabilities as per বিধি ৬০ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ by the total number of units outstanding). As per section 58 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, valuation policy of investment of the Fund needs to be approved earlier by Securities and Exchange Commission. Valuation

criteria so far approved by the Commission are incorporated in the Trust Deed of the fund and available in full version of the prospectus.

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

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

NAV per unit = Total NAV / No. of units outstanding

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

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

4.5 Investment Management

CAPM (Capital & Asset Portfolio Management) Company Limited shall conduct the day-to-day management of the Fund's portfolio as the Asset Management Company subject to the provisions laid down in the rule and Trust Deed or any general directions given by the Trustee and/or the Commission.

4.6 Dividend Policy

- The accounting year of the Fund shall be July 01 to June 30;
- The Fund shall distribute minimum 70%, or as may be determined by the Rules 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 may also declare dividend on semiannual or quarterly basis.
- Dividend warrants will be dispatched within 45 days from the declaration of such dividends;
- The dividends can be distributed in terms of both Cash and Stock
- Reinvestment of dividend is also possible under Cumulative Investment Plan (CIP)

4.7 Price fixation Policy and Sale & Re-purchase Procedure

The Asset Management Company shall calculate the Net Asset Value (NAV) per unit on last working day of every week as per formula prescribed in the বিধিমালা. The Asset Management Company shall weekly disclose the sales price and surrender value per unit calculated on the basis of NAV before commencement of business operations 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 Subscription price and repurchase/surrender value shall be Tk 3.00 (Taka Three) per unit and may increase up to 5% of the face value of unit of the fund.

Units of the Fund could be purchased/subscribed from the counter of the Asset Management Company, designated Selling/transaction Agents and independently (very soon) through the online module of the Asset Manager at the prevailing sale price. A system generated digitally certified acknowledgement letter will be issued at the time of each successful subscription. This acknowledgement letter will be treated as allotment letter and should be kept in safe for future references.

The unit holders may surrender their units during the business hour through the Asset management company, selling agents and independently (in near future) through the online module of the Asset Manager on all working days except Thursdays (initially) and during book closure period of the Fund. The Surrender restriction of Thursdays may change in future with due permission from the Trustee and information to BSEC.

The whole subscription and Surrender process of the fund will be executed through a dedicated online based system. The transactions processes of the fund have been divided into two sections;

- First section is Registration
- Second section is Transactions (Subscription and Surrender)

Each investor has to register first (one time) to transact the units of CAPM Unit Fund. All the transactions including registration will be done through Transaction Agents. The Transaction Agents will perform all the transactions through a designated online based procedure incorporated in the CAPM's Website, www.capmbd.com and help investors to subscribe and redeem the units of CAPM Unit Fund. In future investors themselves can perform the registration as well as transactions (subscription and Surrender) of their units using the web interface mentioned above or any other platform addressed by the Asset management Company.

There will be no paper certificate for the units purchased. The investors will be provided with an electronically generated digitally signed subscription confirmation of the fund's unit which may be printed, if needed, and details of the transactions will be stored by AMC in an Electronic Database System. The registration, subscription and Repurchase/Surrender process is given below;

- **Registration**

- For individual investors, the investors should submit a filled up registration form with associated documents (Photographs of applicant (s) and nominee, copy of NID/passport of applicant (s) & nominee and specimen signature card) to the Asset Manager or Transaction Agents
- For institutional investors, the investors should submit the filled up registration form with documents like copy of valid trade license/registration certificate, copy of valid tin certificate, copy of board resolution (optional), and filled specimen signature card of authorized signatories to the Asset Manager or Transaction Agents
- After successfully inputting all the data by transaction agents to the online transaction module a system generated digitally certified registration acknowledgement receipt will be generated with unique Investor ID. The digitally certified registration acknowledgement receipt will be mailed to the e-mail address provided by the investor at the time of registration which may be printed, if needed.
- Registration process completes here. The investors are allowed to subscribe and redeem units of CAPM Unit Fund against their Investor ID after successfully completing the registration.

- **Subscription**

- During subscription of units of CAPM Unit Fund, the investors first need to fill up a printed subscription form available at the end each Transaction Agents and Asset Manager properly with a correct Investor ID, Investor Name, desired number of units to be subscribed & desired payment mode and have to sign it.
- Then the investors are required to submit the filled up subscription form to the designated employee of Transaction Agents or Asset Manager to proceed further.
- A system generated digitally certified unit subscription request receipt will be available for investors to print. A copy of that subscription request receipt will also be delivered to the e-mail address of investors.
- And then the investor should pay the full amount for all the units applied for subscription through either of the options (Electronic fund transfer facility, bank cheque/ pay order) selected during filling of subscription form.

- Once the subscription is confirmed a subscription confirmation (digitally certified with digital signature) will be delivered to the investors e-mail addresses. The subscription will be confirmed as soon as cash being cleared to CAPM Unit Fund's Account.
- An investor can also avail an updated holdings report from the Asset Manager any time through submitting a request.

- **Repurchase/Surrender**

- Also during Surrender of units of CAPM Unit Fund, the investors first need to fill up a printed Surrender form available at the end each Transaction Agents and Asset Manager properly with a correct Investor ID, Investor Name, desired number of units to be redeemed & desired receiving mode and have to sign it.
- A system generated digitally certified unit Surrender request receipt will be available for investors to print. A copy of that Surrender request receipt will also be delivered to the e-mail address of investors.
- After successful scrutiny of the Surrender request the Asset Manager will make payment to the investors only through bank to bank transfer or electronic fund transfer or mobile banking services. Also, a digitally certified Surrender confirmation will be sent to the designated e-mail address of the investors.
- The Surrender will be made on first come first serve basis. In the event of Surrender request, the Asset Manager may set a Surrender slab with information to the Trustee and BSEC. The Asset Manager shall proceed to sell adequate assets and/or arrange very short term loan as it deems fit to pay the surrender money within the stipulated time in the best interest of the unit holders.

The Asset Management Company may determine the minimum and the maximum limits of unit holding of a unit holder from time to time and may impose any restriction on subscription as well as Surrender of units to any single or group of investors for the benefit of the Fund, with information to the Trustee and in accordance with applicable laws.

During online transactions by the investors independently (as and when available) will also be required to register first for subscribing and redeeming the units of CAPM Unit Fund. To register independently, investors will be required to fill up an online Registration Application Form available at the website of CAPM Company Limited (www.capmbd.com) and attach the scanned copy of all the documents required (for individual investors Photographs of applicant (s) and nominee, copy of NID/passport of applicant (s) & nominee and specimen signature card and for institutional investors copy of valid trade license/registration certificate, copy of valid tin certificate, copy of board resolution (optional), and filled specimen signature card of authorized signatories).

After registering successfully, the investors will be provided with a unique Investor ID (which will be treated as Login ID also) and a password (which may be changed after getting logged in) as well as a digitally certified registration acknowledgement will be sent the registered e-mail of investors. Then the investors will be able to observe their investment positions and submit subscription and Surrender request to the Asset Manager by logging in to their individual panel. The online subscription and Surrender process is described on the next page;

- **Subscription**

- Logging to the individual panel first and click subscription button provided thereon. Then fill up subscription application form and click submit button.

- A system generated digitally certified unit subscription request receipt will be available for investors to print. A copy of that subscription request receipt will also be delivered to the e-mail address of investors.
 - And then the investor should pay the full amount for all the units applied for subscription through either of the options (Electronic fund transfer facility, bank cheque/ pay order) selected during filling of subscription form.
 - Once the subscription is confirmed a subscription confirmation (digitally certified with digital signature) will be delivered to the investors e-mail addresses. The subscription will be confirmed as soon as cash being cleared to CAPM Unit Fund's Account.
- **Repurchase/Surrender**
 - During Surrender of units of CAPM Unit Fund, the investors first need to Logging to the individual panel and click Surrender button provided thereon. Then fill up Surrender application form and click submit button.
 - A system generated digitally certified unit Surrender request receipt will be available for investors to print. A copy of that Surrender request receipt will also be delivered to the e-mail address of investors.
 - After successful scrutiny of the Surrender request the Asset Manager will make payment to the investors only through bank to bank transfer or electronic fund transfer or mobile banking services. Also, a digitally certified Surrender confirmation will be sent to the designated e-mail address of the investors.
 - The Surrender will be made on first come first serve basis. In the event of Surrender request, the Asset Manager may set a Surrender slab with information to the Trustee and BSEC. The Asset Manager shall proceed to sell adequate assets and/or arrange very short term loan as it deems fit to pay the surrender money within the stipulated time in the best interest of the unit holders.

5. Risk Management

5.1 Risk Factors

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

5.2 Risk Control Approaches

1. A top down and bottom up approach may adopt the following investment approaches and risk control measures, namely:
2. Investments will be pursued in selected sectors based on the analysis of business cycles, regulatory reforms, competitive advantage, etc.
3. Selective stock picking will be done from the selected sectors.
4. Focus will be 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.
5. In addition, a details study will be made on the macro-economic conditions, including the political, economic environment and factors affecting liquidity and interest rates.
6. 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.

5.3 IT Risk Control

1. To ensure security of investors' unit holdings legally acceptable electronic form of evidence (digitally certified with digital signature) will be issued to investors for each successful transaction.
2. Appropriate security measures have been undertaken to protect against unauthorized access or hacking with modern technological solutions and security features. Transaction Agent's log-in system will be restricted for operators through string file verification processes for ensuring greater security.
3. The central server system is acquainted with parallel Backup Server system to provide seamless and error free data storage facility round the clock.
4. The Electronic Register or Database System has been designed with latest technological solutions considering both physical and technical specifications. The data center is maintained with highest level of security against unauthorized access.
5. Proper Backup Policy including keeping manual backups on regular basis to a separate physical Storage (flash drive) and storing it to another location as well as maintaining another separate Electronic Register with the Custodian of the fund (BRAC Bank Limited) has already been incorporated. Also, hardcopies of unit holding reports will be preserved on a bi-weekly basis.
6. Both Subscription and Surrender orders will be properly checked and examined by CAPM Company Limited before approving it.

6. Formation, Management and Administration of the Fund

6.1 The Sponsor and The Asset Manager

Capital & Asset Portfolio Management (CAPM) Company Limited is the Sponsor and Asset Manager of the CAPM Unit Fund. Capital & Asset Portfolio Management (CAPM) Company Limited is a new generation Asset Management Company (AMC) with the obsession to deliver the most innovative, prompt and cost effective financial solutions to the reverential investors around the country. CAPM has been incorporated as private limited company in January 2011 and licensed as AMC in September 2011 under Securities and Exchanges Commission (Mutual Fund) Rules 2001.

CAPM is the only joint venture asset management company of Bangladesh, promoted by a group of UK NRB and local entrepreneurs. CAPM is initiated by a distinguished bilateral team of experienced shareholders, majority of which is owned by Goldenbridge Investments Limited, an investment company in UK. CAPM is driven by a proactive team of highly professional executives skilled in investment management services, fund operations and other advanced financial product.

Investors benefit and 'ethical' service is the core of CAPM's professionalism. With this desire in heart CAPM is developing its every department with highly experienced and qualified professionals. Our investment in every instrument will be driven to deliver the "α" and followed by a dynamic process of investment evaluation approach. CAPM always maintains five core values to operate its businesses; integrity, understanding, excellence, unity and responsibility.

6.2 Key officials of CAPM

Mr. SM Mahmud Hussain CEO & CIO

Mr. Hussain performs both the roles of CEO as well as CIO in the company. Mr. SM Mahmud Hussain, CFA possesses advanced level of understandings and knowledge on capital market

operations, financial management techniques, financial derivatives, asset management and fund management practices.

Mr. Hussain has educational background in three broad areas of finance. He is a CFA charter holder, has double MBA, one in Development Management from IBA, Dhaka University and other in Finance from International University of Japan, Japan. He also holds a Masters degree in Mathematical Finance from Oxford University and a post-graduate Certificate in Finance from Stern Business School of New York University.

Mr. Hussain has more than one and half decade of wide ranging local and global experience in financial services markets with world recognized organizations including World Bank, Deutsche Bank and Citigroup UK. Prior to joining CAPM, Mr. Hussain had been the Director of Capital markets & Banking, Citigroup UK, London, UK since 2006.

Major Abu Motahar Mohammad Sohel, psc (Retd)

Head of Operations and Admin

Major Abu Motahar Mohammad Sohel, psc (Retd) joined Bangladesh Army in 1993 after completing Bachelor of Science from Chittanong University. He pursued his school and college level studies from Commilla Cadet College with brilliant result. He retired voluntarily in 2013 and joined CAPM as Head of Operations & Admin. As a military officer, he also served Kuwait & Sudan with Multinational Force and United Nations' Peace Keepers.

He completed his Masters in Defense Studies from National University and also pursuing Masters of Business Administration from Institute of Business Administration (IBA), Dhaka University.

Mr. Chandan Wasif

Investment Manager

Mr. Wasif is associated with the Investment Team as Investment Manager. He possesses a good experience on Asset Management businesses. Before joining CAPM, Mr. Wasif served InvestAsia Capital and Asset Management Limited for one and half year. Mr. Wasif has strong skills in technical as well as fundamental analysis of securities and bonds. He has an experience of three and half years in the Investment Management areas. With a total experience of above five years Mr. Wasif maintains a very good corporate relation with different parties including the regulators.

Mr. Wasif has received different trainings on fundamental and technical analysis from various resource persons and institutions. He has a MBA on Finance from East West University, Bangladesh.

6.3 The Trustee

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 Tk 1,000 million and paid up capital of Tk 540 million and is listed on both the DSE and the CSE.

6.4 The Custodian

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 155 branches, 48 Krishi branches and 400 SME Units.

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.

6.5 The Auditor

Hod Vasi Chowdhury & Co., Chartered Accountants, has been appointed as the Auditor of the Fund for the first year. They are one of the best reputed audit firms of the country. The Trustee shall appoint subsequent auditors.

6.6 The Transaction Agents

The following institutions have appointed to act as the Transaction Agents of the CAPM Unit Fund to facilitate the transactions (registration, subscription, redemption) of units of the Fund on behalf of the Asset Manager:

Sl. No.	Name of Transaction Agent
1	Trust Bank Limited
2	BRAC EPL Stock Brokerage Limited
3	LankaBangla Securities Limited
4	Be Rich Limited

The Asset Manager may appoint more willing institution(s) as Transaction Agents of the fund in future with due information to the Trustee.

6.7 The Application Collection Bank

One Bank Limited is appointed as the collection bank for CAPM Unit Fund. All the branches are nominated by One Bank to collect the application forms from investors during the initial subscription period.

7. Financial Charges

7.1 Limitation of Expenses

The initial issue expenses of the Fund shall not exceed 5% of the collected amount of the Fund and will be amortized within 7 (seven) years on a straight-line method. The total expenses charged to the Fund, except the amortization of initial issue expenses shall not exceed 5% of the weekly average net assets outstanding of the Fund during any accounting year.

7.2 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, legal & consulting service, auditing, other professional fees, advisory fees & expenses, brokerage, share/debenture registration expenses and fees due to the BSEC. The Fund will also bear all the other incidental expenses including printing, publication and stationery relating to its smooth and fair operation. Major expenses of the Fund (details in full version of prospectus) are as follows:

▪ Issue and Formation Expenses

The estimated expenses for the issue and formation of the Fund are presented below:

Sl. No.	Expense Head	Percent
1	Legal and Regulatory Expenses	0.26%
2	Formation Fee payable to AMC	1.00%
3	Technological Development Fee payable to AMC	1.00%
4	Printing & Publication	0.74%
5	Promotional expenses	1.70%

6	Other Expenses	0.30%
Total		5.00%

- **Management Fee**
- **Trustee Fee**
- **Custodian Fee**
- **Fund Registration and Annual Fee**
- **Digital Certification and Renewal Fee**
- **SMS Services and Monthly Line Rent**
- **Commission payable to Transaction Agent(s)**
- **Audit Fee**

8. Size of the Fund, Tax Status and Rights of Unit Holders

8.1 Size of Issue

The initial size of the Fund shall be Tk 100,000,000 (Taka Ten Crore) only divided into 1,000,000 (one million) Units of Tk 100 (Taka Hundred) 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	No. of Units	Face Value (Tk.)	Amount (Tk.)	Status
Sponsor	100,000.00	100	10,000,000.00	Subscribed
Placement Investors	350,000.00	100	35,000,000.00	Subscribed
General Investors	550,000.00	100	55,000,000.00	Yet to Subscribe
Total	1,000,000.00	100	100,000,000.00	

8.2 Sponsor's Subscription

CAPM (Capital & Asset Portfolio Management) Company Limited, the sponsor, has already subscribed Tk. 10,000,000.00 (Taka one Crore) only worth of Units equivalent to 100,000 (one lac) Units of Tk. 100 (one hundred) each at par on 24 March 2013, the effective date.

8.3 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;

- Income will be tax free up Tk. 25,000.00 (Taka Twenty Five Thousand) only, which is permitted as per Finance Act
- 15% investment tax rebate benefits

8.4 Rights of the Unit holders

The detailed rights of unit holders are prescribed in the full version of prospectus of the fund. However, the headlines of Rights of the Unit holders are mentioned below;

- | | |
|----------------------------|-----------------------------------|
| ▪ Voting Rights | ▪ Periodic Information |
| ▪ Transfer of Units | ▪ Accounts and Information |
| ▪ Dividend | ▪ Beneficial Interest |

9. Winding up Policy

The winding up procedure, manner and effect are available in the full version of prospectus of CAPM Unit Fund. The winding up will be effective as per policies laid down in the Trust Deed of the Fund.

10. Unit Subscription

10.1 Terms and Conditions of Unit Subscription

1. The Units of CAPM Unit Fund, hereinafter referred to as the Fund, may be subscribed and redeemed through CAPM (Capital & Asset Portfolio Management) Company Limited and authorized Selling/Transaction Agents appointed by the CAPM from time to time.
2. Application must be accompanied by a Cheque/PO/DD/EFT Instruction for the full value of units favoring “CAPM Unit Fund (Clients)” and crossed “ACCOUNT PAYEE ONLY”.
3. As per provision 8.14 of the Trust Deed of CAPM Unit Fund, units of the fund will only be issued in electronic forms.
4. All information must be written or typed in Block Letters in English and must NOT be abbreviated.
5. Application must not be for less than 10 Units for individual investors and 100 units for institutional investors and must be for a multiple of 10 Units. Any Application not meeting this criterion will not be considered for allotment purpose.
6. Joint application by two persons will be acceptable. In such a case, allotment or refund shall be made to the first applicant.
7. Application must be made by an individual, a corporation or company, a trust or a society and not by a firm, minor or persons of unsound mind.
8. Any Subscription/Surrender of units will be guided by the বিধিমালা and prospectus as approved by BSEC.
9. Surrender application of 10,000 or more units at a time will be followed by a minimum period of 07 days and a maximum period of 15 days.
10. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the Application liable to rejection and subject to forfeiture of Application money and/or forfeiture of the unit before or after issuance of the same by the Asset Management Company. The said forfeited Application money or unit will be deposited in account specified by the Bangladesh Securities and Exchange Commission (BSEC). This may be in addition to any other penalties as may be provided for by law.
11. 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.
12. Partial surrender is allowed without any additional cost subject to minimum surrender quantity is 10 (ten) Units for both 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.
13. 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.
14. 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.
15. Any further addition and/or modification may take place with permission from Trustee and intimation to BSEC. Any such changes will be notified through publishing in the website of CAPM.