

PROSPECTUS OF BMSL National Housing Growth Fund

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

Investing in the BMSL National Housing Growth Fund (hereinafter the Fund) bears certain risks that investors should carefully consider before investing in the Fund. Investment in the capital market and in the Fund bears certain risks that are normally associated with making investment in securities including loss of principal amount invested. There can be no assurance that the Fund will achieve its investment objectives. The Fund value can be volatile and no assurance can be given that investors will receive that amount will originally invested. When investing in the Fund, investors should carefully consider the risk factors outlined in the document.

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

Initial size of issue:	: Initial size Tk. 250,000,000 (Taka Twenty-Five Crore) of 25,000,000 (Two Crore Fifty Lac) units of Tk. 10 (Taka Ten) each
Initial / Opening Price	: Tk. 10 (Taka Ten) per unit
Sponsor	: National Housing Finance and Investments Limited (NHFI)
Asset Manager	: BMSL Asset Management Company Limited (BMSLAMC)
Trustee	: Bangladesh General Insurance Company Limited (BGIC)
Custodian	: BRAC Bank Limited (BBL)
Banker	: Shahjalal Islami Bank Limited (SIBL)
Auditor	: Aziz Halim Khair Choudhury, Chartered Accountants

The prospectus is available at the AMC's Website at www.bmslamc.com

"Investment in Mutual Funds is subject to market risk"

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন”



Sponsor



Asset Manager



Trustee



Custodian

Initial subscription period:
08 May 2023 to 21 June 2023

Date of publication of prospectus:
25 April 2023

Executive Summary

Asset Management Company manages mutual fund as a dependable investment vehicle. A Mutual Fund collects money from multiple investors and invests them in different baskets of investments on your behalf. This basket of investments can be either stocks or debt instruments. It can be further classified as equity funds, debt funds and money market funds on the basis of where the investment has been made. Each one of these funds has its own advantage. Mutual Funds are ideal for anyone who is not aware of investment techniques. A mutual fund scheme is chosen based on your financial goal and investment objective for good returns over a certain period of time.

BMSL Asset Management Company Ltd (BMSLAMC), a company incorporated in Bangladesh under the relevant Company Act, 1994 and licensed as an Asset Management Company registered with the Bangladesh Securities and Exchange Commission on July 14, 2019. BMSLAMC's vision is to secure the financial future of its investors and thereby deliver to them a better quality of life. BMSLAMC judiciously combines in good measure the three most important platforms on which the business precepts are based - Performance, Service, Trust. It is intended for launching an open-ended mutual fund named 'BMSL National Housing Growth Fund', which has a targeted initial fund size of Tk. 250 million.

National Housing Finance and Investments Limited is the sponsor and BMSL Asset Management Company Limited is the Asset Manager of this fund, whereas Bangladesh General Insurance Company Limited will act as the Trustee and BRAC Bank Limited will undertake the Custodian of the fund.

As an Open-end mutual fund, **BMSL National Housing Growth Fund** is more lucrative than close-end mutual fund(s) because of its perpetual life and unlimited size. Open-end mutual funds can presently buy and sell through BO accounts. Moreover, the price of the Open-end mutual fund is not determined by supply and demand, rather it's determined by NAV. The unit can be surrendered easily in the counter of the Asset Management Company and its agents. This is a 'continuous offer' fund by nature, which facilitates the investors to subscribe and redeem units at their will. The Fund is going to offer purchases and repurchases process from the current paper based one to an electronic (online) one considering the convenience of the investors.

For retail investors, especially the ones with little initial funds, BMSL National Housing Growth Fund offers Systematic Investment Plan (SIP) which allows the investor to invest a certain pre-determined amount at a regular interval (weekly, monthly, quarterly, etc.). An SIP can provide benefits such as disciplined and regular saving, flexibility in investing, long-term gain above the deposit rate and convenience by way of electronic fund transfer.

Management and operations of mutual funds are subject to strict regulations from the Bangladesh Securities and Exchange Commission (BSEC) and the Sponsor appointed Trustee, both of whom closely monitor the performance of the fund. The laws governing mutual funds require exhaustive disclosure to the regulator and general public. The strictness of regulation will ensure the safety of the fund.

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Fund Directory

Registered Office	PFI Tower (4 th Floor) 56-57 Dilkusha C/A, Dhaka – 1000, Bangladesh Tel: +8801324439410
Sponsor	National Housing Finance and Investments Limited Concord Baksh Tower (7 th Floor), Plot# 11-A, Road# 48, Block# CWN (A), Gulshan- 2, Dhaka – 1212, Bangladesh Tel: +88 09609 200555
Asset Manager	BMSL Asset Management Company Limited PFI Tower (4 th Floor) 56-57 Dilkusha C/A, Dhaka – 1000, Bangladesh Tel: +88 01324 439410
Trustee	Bangladesh General Insurance Co. Ltd 42, Dilkusha C/A, Dhaka – 1000, Bangladesh Tel: +88 02223383056
Custodian	BRAC Bank Limited Anik Tower, 220/B, Tejgaon Gulshan Link Road, Tejgaon, Dhaka-1208 Tel: +8802 8801301-32, 9884292
Auditor	Aziz Halim Khair Choudhury, Chartered Accountants House # 75/A, Abasar Bhaban (2 nd Floor) Road # 5/A, Dhanmondi R/A, Dhaka - 1209
Banker	Shahjalal Islami Bank Limited Dhaka Main Branch 58, Dilkusha C/A, Dhaka – 1000, Bangladesh Tel: +88 01755 556135
Selling Agent	United Financial Trading Company Limited PFI Tower (2 nd Floor) 56-57 Dilkusha C/A, Dhaka – 1000, Bangladesh

For any other information please contact at following corporate office of the Asset Management Company:



BMSL Asset Management Company Limited

PFI Tower (4th Floor), 56-57 Dilkusha C/A, Dhaka – 1000, Bangladesh

Tel: +88 01324 439410 | Email: info@bmslamc.com | Website: www.bmslamc.com

A person interested to get a prospectus may obtain it from the Asset Management Company.

“If you have any query about this document, you may consult with BMSL Asset Management Company Limited”

DEFINITIONS AND ELABORATIONS OF ABBREVIATED TERMS

Definition/Abbreviation	Elaboration
Rule/ বিধিমালা	সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১
Act	সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন আইন, ১৯৯৩
Confirmation of Unit Allocation	Letter confirming allocation of Units
Application Form	A form meant to be used by an investor to purchase units in the Scheme
Asset Manager/Asset Management Company /Fund Manager /Investment Manager/AMC/BMSL AMC	BMSL Asset Management Company Limited
Allotment	Letter of Allotment for units
BB	Bangladesh Bank
BEFTN	Bangladesh Electronic Fund Transfer Network
Book Closer	Sale and repurchase of unit certificates issued by Asset Management Company shall remain closed during the month of July unless the commission decides otherwise
BO A/C	Beneficiary Owner's Account or Depository Account
BSEC	Bangladesh Securities and Exchange commission
Business Day	A day not being: (1) A weekend; (2) A day on which the stock exchanges are closed; (3) A day on which purchase and repurchase of units are suspended or a book closure period/ record date announced by the Trustee/AMC; or (4) A day on which normal business cannot be transacted due to unavoidable circumstance or such other events as the AMC may specify from time to time; (5) A day on which banks are closed (6) Thursday of each week.
CAGR	Compound Annual Growth Rate
CEO	Chief Executive officer
CIP	Cumulative Investment Plan
CDBL	Central Depository Bangladesh Limited
CDS	Central Depository System
Certificate	Certificate of the Fund in dematerialized form under CDBL
Commission	Bangladesh Securities and Exchange Commission

Definition/Abbreviation	Elaboration
Companies Act	কোম্পানি আইন, ১৯৯৪
Confirmation of Unit Allocation	Letter of confirming allocation of units
CSE	Chittagong Stock Exchange Limited
Custodian	BRAC Bank Limited
Dividend	Income distributed by the Fund, when and where applicable
DSE	Dhaka Stock Exchange Limited
Effective Date	The date of registration of the Trust Deed
EPU	Earning Per Unit
FC Account	Foreign Currency Account
FI	Financial Institution
FIS	Fixed Income Securities
Government	The Government of the People's Republic of Bangladesh
Guardian	The Trustee of the Fund
IDRA	Insurance Development & Regulatory Bangladesh
Mutual Fund /The Fund/Unit Fund/Open End Mutual Fund/BMSLNHGF	BMSL National Housing Growth Fund
Sales Agent/Selling Agent/Point of Sales	AMC designated official points for accepting transaction/service request from investors.
SIP	Systematic Investment Plan
IPO	Initial Public Offering
Issue	Public Issue
MD	Managing Director
NAV	Net Asset Value
NBFI	Non-Banking Financial Institution
NBR	National Board of Revenue
Net Asset Value	Per unit value of the Fund arrived at by dividing the net assets by the numbers of unit outstanding of the Fund
Net Assets	The excess of assets over liabilities of the fund
Non-Resident Bangladeshi/NRB	Non-resident Bangladeshi (NRB) means Bangladeshi citizens staying abroad including all those who have dual citizenship provided they have a valid Bangladeshi passport or those, whose foreign passport bear a stamp from the concerned Bangladeshi embassy/high

Definition/Abbreviation	Elaboration
	Commission to the effect that no visa is required to travel to Bangladesh.
Offering Price	Price of Securities of the fund being offered
Offer Document	This document is issued by BMSL National Housing Growth Fund, offering units of the Fund for subscription. Any Modification to the offer document will be made by way of an addendum which will be attached to offer document. On issuance of any such addendum, prior approval from BSEC is required and the offer document will be deemed to be updated by addendum.
Ongoing Offer Period	Offer of Units of the Fund after the closure of the initial offer period.
Prospectus	Advertisements or other documents (approved by the BSEC), which contain the investment and all other information in respect of the mutual fund, as required by the বিধিমালা and is circulated to invite the public to invest in the mutual Fund.
Purchase/Subscription	Subscription to /purchase of Units of the Fund.
Purchase Price	The price calculated in the manner provide in this offer document, at which the units can be purchased.
Repurchase Price	Repurchase of Units by the Fund from a unit holder
Sponsor	National Housing Finance and Investments Limited
The Fund/Unit Fund	BMSL National Housing Growth Fund
Tk.	Bangladeshi Taka
Trustee/Guardian	Bangladesh General Insurance Company Limited
Unit Certificate/Certificate	Certificate of the Fund in dematerialized form under CDBL
Unit Holder	A person holding Units of BMSL National Housing Growth Fund

Interpretation:

For the purpose of the offer document, except as otherwise expressly provided requires:

- Singular terms used in this offer document include the plural, and terms include the singular.
- Pronouns having a masculine or feminine gender shall be deemed to include the other.
- A “crore” means “ten million” and a ‘lakh’ or ‘lac’ means a ‘hundred thousand’.

FUND HIGHLIGHTS

Name	BMSL National Housing Growth Fund
Type	Open-end Mutual Fund
Life of the Fund	Perpetual Life
Sponsor	National Housing Finance and Investments Limited
Asset Manager	BMSL Asset Management Company Limited
Trustee	Bangladesh General Insurance Company Limited
Custodian	BRAC Bank Limited
Initial Size of the Fund	Tk. 250,000,000/- (Taka Twenty-Five Crore) divided into 25,000,000/- (Two Crore Fifty Lakh) Units of Tk. 10 (Taka Ten) each
Nature	Perpetual Life and Unlimited size
Objective	The objective of the Fund is to provide attractive risk adjusted return to the unit holders by investing the proceeds in the capital market and money market.
Minimum Application Amount	Tk. 5,000.00/- per application for individuals Tk. 50,000.00/- per application for institutions Not applicable for SIP Investors
Transparency	NAV will be calculated on a weekly basis and shall be published on the website of the Fund Manager (www.bmslamc.com) and as prescribed in the Rule
Target Group	Individuals, institutions, Non-Resident Bangladeshi (NBR), mutual funds and collective investment schemes are eligible to invest in this Fund.
Dividend	Minimum 50 (Fifty) percent of realized income of the Fund will be distributed as dividend in Bangladeshi Taka in each accounting year.
Dividend Distribution	The dividend warrant will be distributed within 45 (Forty-Five) days from the date of declaration.
Transferability	The Units of the Fund are transferable by way of inheritance/gift and/or by specific operation of the law.
Encashment	The Unit holders can surrender and en-cash their Units to the Asset Manager and through the authorized selling agents appointed by the Asset Manager. The Asset Manager or selling agent shall be liable to re-purchase the units on behalf of 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 from the website (www.bmslamc.com) of the Asset Manager. Every Unit holder will also get quarterly statements of portfolio in BMSL AMC's official website.
Tax Benefit	a) Income from a mutual fund up to tk. 25,000 (Twenty-five thousand) is exempted from tax under income Tax Ordinance 1984. b) Investment in the Unit Fund would qualify for investment tax credit under section 44(2) of the Income Tax ordinance c) The Income of the Fund will also be exempted from Tax.
Systematic Investment Plan (SIP) Facility	Systematic Investment Plan or SIP allows investor to invest to invest a certain pre-determined amount at a regular interval (monthly, quarterly, yearly etc). A SIP is a planned approach towards investments and helps to inculcate the habit of saving and building wealth for the future. Investor can start SIP with a very small amount that is minimum BDT 1000.

ফান্ডের সংক্ষিপ্ত বিবরণী

নাম	বি এম এস এল ন্যাশনাল হার্ডজিং গ্রোথ ফান্ড
ধরন	বে-মেয়াদি মিউচুয়াল ফান্ড
ফান্ডের মেয়াদকাল	আজীবন মেয়াদি
উদ্যোক্তা	ন্যাশনাল হার্ডজিং ফাইন্যান্স এন্ড ইনভেস্টমেন্টস লিমিটেড
সম্পদ ব্যবস্থাপক	বি এম এস এল এসেট ম্যানেজমেন্ট কোম্পানি লিমিটেড
ট্রাস্টি	বাংলাদেশ জেনারেল ইন্স্যুরেন্স কোম্পানি লিমিটেড
হেফাজতকারী	ব্র্যাক ব্যাংক লিমিটেড
ফান্ডের প্রাথমিক আকার	টাকা ২৫,০০,০০,০০০.০০ (পঁচিশ কোটি) ২,৫০,০০,০০০ (দুই কোটি পঞ্চাশ লক্ষ) ইউনিটে বিভক্ত যার প্রতিটির অভিহিত মূল্য ১০ টাকা
ফান্ডের প্রকৃতি	বে-মেয়াদি মিউচুয়াল ফান্ড এবং সীমাহীন আকার
উদ্দেশ্য	বি এম এস এল ন্যাশনাল হার্ডজিং গ্রোথ ফান্ড এর উদ্দেশ্য হচ্ছে মূলধনী লাভ এবং লভ্যাংশের মাধ্যমে ঝুঁকি সমন্বিত রিটার্ন প্রদান করা। এই ফান্ডের লভ্যাংশ বিনিয়োগকারীদের দেয়া হয় পুঁজিবাজার, অর্থবাজার ইত্যাদিতে বিনিয়োগের মাধ্যমে।
ন্যূনতম বিনিয়োগ	টাকা ৫,০০০.০০ ব্যক্তিগত আবেদনের বিপরীতে টাকা ৫০,০০০.০০ প্রতিষ্ঠানের আবেদনের বিপরীতে এটি এসআইপি (SIP) বিনিয়োগকারীদের জন্য প্রযোজ্য নয়
সচ্ছতা	বিধিমালা অনুযায়ী ফান্ডের NAV প্রতি সপ্তাহে গণনা করা হবে এবং সম্পদ ব্যবস্থাপকের ওয়েবসাইটে প্রকাশ করা হবে। সম্পদ ব্যবস্থাপকের ওয়েবসাইটের ঠিকানা হচ্ছে (www.bmslamc.com)
লভ্যাংশ	প্রতিটি হিসাব বছরের শেষে বার্ষিক লাভের ন্যূনতম ৫০ শতাংশ অর্থ লভ্যাংশ হিসেবে বিতরণ করা হবে।
লভ্যাংশ বিতরণ	লভ্যাংশ পরোয়ানা (ডিভিডেন্ড ওয়ারেন্ট) লভ্যাংশ ঘোষণার ৪৫ দিনের মধ্যে বিতরণ করা হবে।
হস্তান্তর যোগ্যতা	উত্তরাধিকার/উপহার অথবা আইন দ্বারা অনুমোদিতভাবে এই ফান্ডের ইউনিটসমূহ হস্তান্তর করা যাবে।
নগদায়ন	ইউনিট হোল্ডারগণ তাদের ইউনিট নগদায়ন করতে পারবেন সরাসরি সম্পদ ব্যবস্থাপকের মাধ্যমে অথবা সম্পদ ব্যবস্থাপকের নিয়োগপ্রাপ্ত বিক্রয় প্রতিনিধির মাধ্যমে।
প্রসপেক্টাস, বার্ষিক প্রতিবেদন এবং হিসাবসমূহ	যে কোন বিনিয়োগকারী সম্পদ ব্যবস্থাপকের ওয়েবসাইট (www.bmslamc.com) থেকে এই প্রসপেক্টাসটি দেখতে পারবেন। সম্পদ ব্যবস্থাপকের ওয়েবসাইট এ প্রকাশিত বাৎসরিক আর্থিক বিবৃতি প্রত্যেক ইউনিট হোল্ডারগণ পাবেন। এছাড়া ইউনিট হোল্ডারগণ সম্পদ ব্যবস্থাপকের ওয়েবসাইটে পোর্টফোলিওর প্রান্তিক প্রতিবেদন পাবেন।
কর রেয়াত জনিত সুবিধা	ক) Tax Ordinance 1984; এ, মিউচুয়াল ফান্ড অথবা ইউনিট ফান্ড হতে আয় এর ২৫,০০০ টাকা পর্যন্ত করের আওতামুক্ত থাকবে। খ) ইউনিট ফান্ডে বিনিয়োগ Income Tax Ordinance 1984 এর সেকশন 44(2) অনুযায়ী বিনিয়োগ কর সম্মানী (Investment Tax credit) সুবিধা পাবেন।
নিয়মিত বিনিয়োগ পরিকল্পনা (এস আই পি)	এস আই পি (SIP) বা নিয়মিত বিনিয়োগ পরিকল্পনা এর মাধ্যমে এস আই পি (SIP) বিনিয়োগকারীরা নির্দিষ্ট সময় অন্তর অন্তর পূর্বনির্ধারিত পরিমাণ অর্থ বিনিয়োগ করবেন। ভবিষ্যৎ সঞ্চয় ও সম্পদ গড়ার লক্ষ্যে এবং বিনিয়োগের জন্য SIP একটি পরিকল্পিত অভিজ্ঞান। বিনিয়োগকারীরা ন্যূনতম ১০০০ টাকা বিনিয়োগ করে এস আই পি (SIP) স্কিম শুরু করতে পারেন।

CHAPTER 1: PRELIMINARY

1.1 Publication of Prospectus for Public Offering

BMSL Asset Management Company Limited has received registration certificate from Bangladesh Securities and Exchange Commission under Securities and Exchange Commission Act 1993 and সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ made there under and also received consent for issuing prospectus for public offering. A complete copy of the prospectus is available for public inspection at PFI Tower (4th Floor), 56-57 Dilkusha C/A, Dhaka-1000, the registered office of BMSL Asset Management Company Limited the Asset Manager of “BMSL National Housing Growth Fund”, hereinafter referred to as the Fund.

1.2 Consent of Securities and Exchange Commission

“APPROVAL OF 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 THE 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-end 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.

The securities will be kept in dematerialized form in Central Depository Bangladesh Limited (CDBL) to facilitate the holding and transfer of the units of the Fund. 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 to the Fund at the Corporate office of the BMSL Asset Management Company Limited and the offices of Authorized selling agents. The 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 বিধিমালা.

The unit holders may surrender their unit certificates during the business hour as specified by the Asset Management Company. The Asset Management Company shall be liable to repurchase the units on behalf of the fund. The redemption will be made on first come first serve basis.

1.4 Availability of Documents for Inspection

1. 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 from the website of Bangladesh securities and Exchange Commission website (www.secdb.org) and the website of the Asset Manager (www.bmslamc.com).

2. 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 2CC of the Securities and Exchange Ordinance, 1969

PART-A

1. The Fund shall not account for any upward revaluation of its assets creating reserve without clearance from Bangladesh Securities and Exchange Commission;
2. The Fund shall not be involved in option trading, short selling or carry forward transactions;
3. A confirmation of Unit allocation shall be issued at the cost of the Fund at par Value of Tk. 10.00 (ten) each within 90 (ninety) days from the date of sale of such Units. All units of the Fund shall be issued in dematerialized form;
4. Money receipt/acknowledgement slip issued at the time of sale of Units will be treated as allotment letter, which shall not be redeemable/transferable;
5. The Fund, its Asset Manager, Trustee, Custodian and Sponsor shall make such disclosures or submit such documents as may be called upon to do so by the Commission.
6. Without prejudice to the generality of the directions in the Sub-Rule (1) above, the Fund shall furnish to the Commission the following reports, namely:
 - a) A duly audited annual financial statements including statement of financial position, statement of profit and loss and other comprehensive income, statement of cash flows, statement of changes in unit holder's equity, and accompanying accounting policies and notes to the financial statements of the Fund, and for each scheme of the Fund, once a year, within 03 (three) months from the end of the financial year;
 - b) A Quarterly un-audited financial statements within 30 (thirty) days from the end of the quarter of the financial year;
 - c) A monthly statement of portfolios, including changes therein from the previous period, for the Fund, within 7 (seven) days from the end of the month;
 - d) For an open-end Mutual Fund, The Asset Management Company shall publish a monthly statement to the Commission within 7 (seven) days from the end of the month, reporting new units sold, capital fund received, units repurchased and capital redeemed for every business day of the month;
7. The Fund shall, before expiry of 7 (seven) days from the end of each month, disclose for all unit holders a complete statement of portfolios of the Fund, or a scheme of the Fund, in the prescribed form and shall upload the same on its website;
8. The Mutual Fund shall, within 30 (thirty) days from the end of a quarter, publish its un-audited quarterly financial statements on its website.
9. A half-yearly financial statement shall be submitted to the Commission and published in at least one National daily newspaper within 30 (thirty) days from the end of the period;
10. The Asset Management Company shall disclose the selling price and repurchase price (or surrender price) per unit of the Fund to be calculated on the basis of the Net Asset Value (NAV) per unit at fair value;

11. The Asset Management Company shall duly publish the information on NAV per unit at fair value, unit selling price and repurchase price in its website, across sales centers, and through press-release at the end of each working day;
12. The difference between selling price and repurchase price per unit shall not exceed 1% (one percent) of the NAV per unit at fair value of the Fund;
13. 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;
14. The script wise detail portfolio statement consisting of all securities holdings of the fund shall be disclosed in the website of the AMC and will be sent to Unit Holders on quarterly basis within 30 (thirty) days of each quarter end;
15. BSEC may appoint auditors for special audit/investigation on the affairs of the Fund, If it so desires;
16. 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;
17. 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 the prospectus be published in two national daily newspapers (Bengali and English) and one online newspaper;
18. If abridged version of the prospectus is published in the newspaper, complete prospectus shall be made available to the applicants;
19. Initial target size of the fund shall be Tk. 25.00 (twenty-five) crore. The Sponsor shall hold at least 10.00 (Ten) percent of the initial target size and shall disclose Sponsor's amount in the offer document/published prospectus. The size of the fund may be increased from time to time by the AMC subject to approval of the Trustee and with intimation to the Commission;
20. If the Asset Manager fails to collect the minimum 40% of the initial target amount under বিধি ৪৬ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, shall refund the subscription money within 30 days without any deduction. In case of failure, the Asset Manager will refund the same with an interest @ 18 (eighteen) percent per annum from its own account within the next month;
21. On the achievement of 40% of the initial target amount, the Fund will be allowed to transfer the money from Escrow Account to Operational Account and to commence investment activities of the fund with permission of the Trustee;
22. The AMC should ensure compliance of বিধি ৪৬ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.
23. Unit Allocation of the sponsor's contribution amount shall be subject to a lock-in-period of 01 (one) year from the date of formation of the Fund and then, 1/10th of the Sponsor's contribution only shall be subject to a lock –in period of full tenure of the until liquidation;
24. A confirmation of Unit allocation of Sponsors contribution amount will be issued in favor of the Sponsor. The said confirmation letter shall be in the custody of Trustee. No splitting of the unit of the Sponsor shall be made without prior approval of the Commission.

25. Annual fee of the fund shall be submitted to the Commission on the Fund size i.e. year-end Net Asset Value at market price of the fund on advance basis as per rule; and may adjust the fee in the next year if necessary;
26. Subscription period of the fund will be 45 (Forty- five) days which will be started on 08 May 2023 and be ended on 21 June 2023 as per বিধি ৪৭ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.

PART-B

Please ensure that the following are adhered to:

1. As per provisions contained in the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ regarding limitation of time on closure of subscription, the initial public subscription will remain open for forty-five days or for a period up to achievement of the initial target amount, whichever is earlier;
2. The paper cutting of the published prospectus and all other published documents/notices regarding the Unit Fund shall be submitted to the Commission within 24 (twenty-four) hours of the publication thereof;
3. The asset management company shall submit 20 (twenty) copies of printed prospectus to the Commission for official record;
4. The asset management company shall ensure in writing to the Commission that the prospectus/abridged version is published correctly and is a verbatim copy of the prospectus/abridged version vetted by the Commission;
5. The expiry date of the sponsor's locked-in portion shall be specifically mentioned on the body of the jumbo confirmation of Unit allocation;
6. The AMC shall apply the spot buying rate (TT clean) of Sonali Bank prevalent on the date of the opening of subscription for conversation of foreign currencies;
7. The AMC shall submit to the Commission a diskette containing the vetted prospectus and its abridged version.
8. All conditions imposed under section 2CC of the Securities and Exchange Ordinance, 1969 must be complied with and be incorporated in the body of the prospectus and in its abridged version;
9. After due approval by the Trustee regarding issue and formation expenses, the AMC shall submit in details along with supporting documents to the Commission regarding issue and formation expenses within 15 (fifteen) days of operation of the Fund. The Auditor of the Fund shall also put opinion about the above expenses in the initial financial statements of the Fund.
10. Bank Statement along with the subscribers list, copies of agreements with Custodian and Selling Agents (if applicable) shall be submitted to the Commission within 15 (fifteen) days of the completion of the subscription;
11. The investment policy and guideline and information on constituents of Investment Committee of the Fund approved by the Board shall be submitted to the commission within 30 (thirty) days from the receipt of the Consent Letter. The investment policy and guideline shall include among other

issues, the investment delegation power of Managing Director/Chief Executive Officer and the Committee separately and also the meeting resolution presentation process;

12. After due approval of the Trustee, the Asset Manager shall submit the Systematic Investment Plan (SIP) brochure to the Commission complying the Rules within 30 (thirty) days of issuance of consent letter.

1.6 General Information

1. This prospectus has been prepared by BMSL National Housing Growth Fund 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.
2. 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 of representation must not be relied upon as having been authorized by BMSL National Housing Growth Fund.
3. 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

BMSL Asset Management Company Limited will maintain 2 (two) BO Account with BRAC Bank Limited Custodian of BMSL National Housing Growth Fund for creation and redemption of units namely “BMSL National Housing Growth Fund –Sale of Units” and “BMSL National Housing Growth Fund - Repurchase of units”

For sale of units BMSL Asset Management Company Limited will issue a certificate for the units sold and send it to BRAC Bank Limited for setting-up of demat request. After acceptance of demat setup by BRAC Bank Limited from its terminal units will be credited to the BO Account “BMSL National Housing Growth Fund-Sale of units” to the unit holders BO Accounts as per instruction of BMSL Asset Management Company Limited.

In the case redemption/repurchase by the Asset Manager the unit holder will transfer his/her/the institutional holders’ units to the “BMSL National Housing Growth Fund - repurchase of units”. BRAC Bank Limited will remat the unit from the “BMSL National Housing Growth Fund - repurchase of units” BO Account as per instruction of BMSL Asset Management Company Limited. Simultaneously, the payment will be made to the investor’s Bank Account through A/C Payee Cheque/ BEFTN as per request of the investor.

1.8 Systematic Investment Plan (SIP)

A systematic Investment Plan of SIP is a smart and easier mode for investing money in mutual funds. SIP allows an investor to invest a certain pre-determined amount at a regular interval (monthly, quarterly, yearly etc). A SIP is a planned approach towards investments and helps to inculcate the habits of savings building wealth for the future.

Buy and Surrendered SIP Process:

An investor can invest through SIP either by auto debit systems provided against investor's bank account or by providing monthly predetermined cheques via Asset Manager or the selling agents at a regular interval (monthly, quarterly, yearly etc.). Investor must have a BO Account. Investor will get SIP units in their BO Accounts based on a discount from the latest/ongoing effective Weekly Sale Price of the Fund.

It is advisable to continue SIP investments with a long-term perspective, there is no compulsion. Investor can discontinue the plan at any time. If an investor wants to terminate the SIP before 2 (two) years, up to 1% discount from the repurchase/surrender price will be applicable on total accumulated invested amount on the date of cancellation of scheme. After maturity of SIP, the investor can easily surrender through AMC or Selling Agents.

Benefits may be offered for Investors as such:

SIP encourages a disciplined investment. While invested through SIP, investor commits himself to save regularly. Different benefits may be offered as follows:

- **Flexibility:** Investor can start SIP with a very small amount that is BDT 1,000/2,000/3,000/4,000/ 5,000 or multiple of BDT 500/1000. One can also increase/decrease the amount being to be invested in regular fashion.
- **Flexible SIP Tenor:** The scheme will be offered for at least 2 years or any other period set by AMC. However, investor can sell, SIP scheme for 3 years/ 5 years/ 10 years. After this time period the individual scheme will be matured and may surrender or continue holding the units after maturity. If surrender, no fees/charges will be on surrender and may also offer highest premium over the declared surrendered price.
- **No Minimum lot size:** Under SIP, there will be no minimum lot size as like normal investors. Based on a discount from declared sales price per unit available, units will be credited to investor's account. However, any fraction amount remaining will be converted when it sums up to one unit. The fraction amount will be kept as liability of the fund in a separate account head.
- **Sale at discount and premium at Surrender:** SIP investor may buy units at a discount from weekly Sales Price offered to normal investor. In addition to that SIP investor can surrender at a premium of repurchase price offered to normal unit holders at maturity as per SIP brochure.
- **CIP Option for the SIP investors:** SIP investors can choose either option of cash dividend or cumulative investment plan (CIP) or mix of both. If a SIP investor chooses CIP (i.e Dividend reinvestment process) instead of cash dividend, they will also enjoy CIP units at a discount of prevailing Sales price used for CIP conversion. After CIP conversion, they will get dividend on total number of units in the next years.

1.9 Declaration about the Responsibility of the Sponsor, Trustee, Custodian and Asset Manager:

Declarations about the Responsibility of the Sponsor

The Sponsor, National Housing Finance and Investments Limited, accepts full responsibility for his institution's contribution /portion the authenticity and accuracy of the information contained in this prospectus and other documents regarding BMSL National Housing Growth Fund. To the best of the knowledge and belief, we have taken all reasonable care to ensure that all the conditions and requirements concerning this public offer and all information contained in this document, drawn up by virtue of the Trust Deed of the Fund by the entrusted Asset Management Company have been met and there is no other information or documents, the omission of which may make any information or statements therein misleading.

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

Sd/-

Mr. Mohammad Shamsul Islam

Managing Director

National Housing Finance and Investments Limited

Declarations about the Responsibility of the Trustee

We, as Trustee of the BMSL National Housing Growth Fund, accept the responsibility and confirm that we shall:

I. Be the guardian of the Fund, held in trust for the benefit of the unit holders in accordance with the Rules and the Trust Deed;

II. Always act in the interest of the Unitholders;

III. Take all reasonable care to ensure that the Fund floated and managed by the Asset Management Company are in accordance with the Trust Deed and the Rules;

IV. Make such disclosures by the Asset Management Company to the investors as are essential in order to keep them informed about any information, which may have any bearing on their investments; and

V. Take such remedial steps as are necessary to rectify the situation where we have reason to believe that the conduct of business of the Fund is not in conformity with relevant rules.

Sd/-

Mr. Ahmed Saifuddin Chowdhury

The Managing Director & CEO

Bangladesh General Insurance Company Ltd

Declarations about the Responsibility of the Custodian

We, as Custodian of the BMSL National Housing Growth Fund, accept the responsibility and confirm that we shall:

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

Sd/-

Tareq Refat Ullah Khan

DMD & Head of Corporate Banking

BRAC Bank Limited

Declarations about the Responsibility of the Asset Manager

We, as the Asset Manager of BMSL National Housing Growth Fund, accept the responsibility and confirm that:

This Prospectus has been prepared by us based on the Trust Deed, the Investment Management Agreement, the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ and other related agreements and examination of other documents as relevant for adequate disclosure of the Funds objectives and investment strategies to the investors. We also confirm that,

- I. The prospectus is in conformity with the documents, materials and papers related to the public offer;
- II. All the legal requirements of the issue have been duly fulfilled; and
- III. The disclosures made are true, fair and adequate for making investment decision.

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

Sd/-

Md Mahmud Himel

Managing Director

BMSL Asset Management Company Limited

1.10 Due Diligence Certificate:

Due Diligence Certificate By Sponsor

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

The Honorable Chairman
Bangladesh Securities and Exchange Commission
Securities Commission Bhaban, E-6/C , Agargaon
Sher-e-Bangla Nagar Administrative Area
Dhaka-1207, Bangladesh

Subject: **BMSL National Housing Growth Fund.**

We, the sponsor of the above-mentioned forthcoming mutual fund, state as follows:

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

WE CONFIRM THAT:

- a) All information in the draft prospectus forwarded to the Commission is authentic and accurate;
- b) We as sponsor of the Fund as mentioned above will act as per clause of the Trust Deed executed with the constitutive documents;
- c) We shall also abide by the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ and conditions improved by the Commission as regards of the Fund; and
- d) We shall act to our best for the benefit and interests of the unit holders of the Fund.

For sponsor

Sd/-

Mr. Mohammad Shamsul Islam
Managing Director
National Housing Finance and Investments Limited

Due Diligence Certificate By Trustee

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

The Honorable Chairman
Bangladesh Securities and Exchange Commission
Securities Commission Bhaban, E-6/C , Agargaon
Sher-e-Bangla Nagar Administrative Area
Dhaka-1207, Bangladesh

Subject: **BMSL National Housing Growth Fund.**

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

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

WE CONFIRM THAT:

- a) All information and documents as are relevant to the issue have been received and examined by us and the draft prospectus forwarded to the Commission have been approved by us;
- b) We have also collected and examined all other documents relating to the Fund;
- c) While examining the above documents, we find that all the requirements of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, have been complied with;
- d) We shall act as Trustee of the Fund as mentioned above as per provisions of the Trust Deed executed with the sponsor and shall assume the duties and responsibilities as described in the Trust Deed and other constitutive documents;
- e) We shall also abide by the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, and conditions imposed by the Commission as regards of the Fund; and
- f) We shall act to our best for the benefit and sole interests of the unit holders of the Fund.

For Trustee

Sd/-

Mr. Ahmed Saifuddin Chowdhury

The Managing Director & CEO
Bangladesh General Insurance Company Ltd

Due Diligence Certificate By Custodian

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

The Honorable Chairman
Bangladesh Securities and Exchange Commission
Securities Commission Bhaban, E-6/C , Agargaon
Sher-e-Bangla Nagar Administrative Area
Dhaka-1207, Bangladesh

Subject: **BMSL National Housing Growth Fund.**

We, the under-noted Custodian to the above–mentioned forthcoming Mutual Fund, state as follows:

We, while act as Custodian to the above-mentioned Fund on behalf of the investors, shall comply with the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, Depository Act,1999. Depository Regulation, 2000, Depository (User) Regulation, 2003, Trust Deed of the Fund and the Rules, guidelines, circulars, order and directions that may be issued by the Bangladesh Securities and Exchange Commission from time to time in this respect.

WE CONFIRM THAT:

- a) We will keep all securities (both listed and unlisted) and Assets of the “BMSL National Housing Growth Fund” including FDR receipts in safe and separate custody as per বিধি 41 of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ and will provide highest security for the assets of the Fund;
- b) We shall act as Custodian of the Fund as mentioned above as per provisions of the custodian agreement executed with the Asset Management Company and shall assume the duties and responsibilities as described in the Trust Deed of the mentioned fund and other constitutive documents;
- c) We shall also abide by the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, and conditions imposed by the Commission as regards of the Fund; and
- d) We shall act to our best for the benefit and sole interests of the unit holders of the Fund.

For Custodian

Sd/-

Tareq Refat Ullah Khan

DMD & Head of Corporate Banking

BRAC Bank Limited

Due Diligence Certificate By Asset Manager

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

The Honorable Chairman
Bangladesh Securities and Exchange Commission
Securities Commission Bhaban, E-6/C , Agargaon
Sher-e-Bangla Nagar Administrative Area
Dhaka-1207, Bangladesh

Subject: **BMSL National Housing Growth Fund.**

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

1. We while act as asset manager to the above-mentioned mutual fund, declare and certify that the information provided in the prospectus, is complete and true in all respects;
2. We further certify that we shall inform the Bangladesh Securities and Exchange Commission immediately of any change in the information of the fund; and
3. We warrant that we shall comply with the Securities and Exchange Ordinance, 1969, the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, Dhaka Stock Exchange (Listing) Regulations, 2015, Chittagong Stock Exchange (Listing) Regulations, 2015, Trust Deed of the Fund and the Rules, guidelines, circulars, orders and directions that may be issued by the Bangladesh Securities and Exchange Commission from time to time in this respect.

WE CONFIRM THAT

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

For the Asset Manager

Sd/-

Md Mahmud Himel

Managing Director

BMSL Asset Management Company Limited

Chapter 2: Background

2.1. Formation of BMSL National Housing Growth Fund

Open-ended mutual fund is widely popular throughout the world among all kinds of investors. It is highly accepted and praised investment vehicle offering a lot more flexibility to the investors. Globally at present, most of the mutual funds are open ended ones. Even though the current capital market scenario of Bangladesh isn't yet the same, but the number of open ended funds is increasing. At present there are 85 open-ended funds in the market. More funds are in the pipeline waiting to get the approval from the regulators.

Considering the vital role that open-ended mutual funds can play in improving the capital market efficiency, BMSL Asset Management Company Limited (BMSLAMC), one of the growing asset managers, has come forward and sponsored an open-ended mutual fund. BMSLAMC believes that introduction of open-ended mutual funds will help to stabilize the prevailing fluctuating market.

BMSL Asset Management Company Limited, backed by a dedicated research team, is committed to the investors to provide them with the services of an experienced fund manager who handles the investment decisions based on the performance and prospects available in the market to achieve the objectives of the mutual fund scheme.

The constituents to the fund are: National Housing Finance and Investments Limited as the Sponsor & BMSL Asset Management Company Limited as the Asset Manager, whereas Bangladesh General Insurance Company Limited will act the Trustee and BRAC Bank Limited will undertake the Custodian of the fund.

2.2 Socio-Economic Outlook of Bangladesh

Bangladesh is the eighth most populated country in the world which is located in South Asia. The people of Bangladesh are surely elated by their national identity and this is largely tagged with the 1971 War of Independence which is the base of country's statehood.

Once we had seen lots of challenges posed by Islamist militant groups but the ruling government have triumphed against them those are also associated with transnational terrorist organizations. Bangladesh is a homogenous country, with 98% of its people speaking in Bengali. Current Bangladeshi Govt. has secured an environment so that the people from different ethnic groups feel comfortable expressing their opinions and raising their voices.

NGOs and CSOs are working together to boost the prosperity of women and children supporting for instance, provide legal aid to victims of exploitation and protect the rights of socio-economically marginalized groups as well as tribal and minority groups.

Due to the COVID-19 pandemic, Bangladesh's economy, which was growing at a rate of 8%, has been slowed down. The economy of Bangladesh has been moving at a splendid pace since the last couple of years with some ups and downs such as Covid-19, the devaluation of BDT against USD, Russia-Ukraine war. After the Covid-19 crisis Bangladesh has shown a tremendous recovery though the world economy has been trembled

Bangladesh ranked 75 on the 2020 Global Hunger Index and ranked 133 out of 189 countries in the 2020 Human Development Report. The government has introduced gender sensitive budgets in 43 ministries. In the 2019/20 budget, 30.82% was earmarked for the development of women. However, according to the Global Gender Gap Report, Bangladesh has significantly bridged the gender gap, now ranking 50th among 149 countries. impact on women and children.

2.3 Bangladesh Economic Outlook

GDP Growth

Before the COVID-19 pandemic, Bangladesh exhibited a steady and high GDP growth, averaging 7.2% a year during FY 2015 to FY 2019, and reached a record 8.15 percent growth rate in FY 2018-19. The global economy has come immobilized due to the COVID-19 pandemic which has also had a huge negative impact on the economy of Bangladesh.

According to the final estimations of BBS, the GDP growth in FY 2019-20 has slowed to 3.45 percent. Bangladesh's economy is turning around in the context of tackling the coronavirus of the world economy. According to the provisional estimates of BBS, the GDP growth in FY 2020-21 stood at 5.47 percent.

As per new base year which is 2016, the GDP of Bangladesh stands at \$465 billion in 2021-22 fiscal year from \$416.26 billion in the previous year. And this year, in 2022 Bangladesh economy has grown 7.25% which is triggered by local demand, mega government projects and manufacturing activities. Considering nominal GDP, Bangladesh ranked 41st in the world and its GDP stands at \$465 bn in 2021-2022.

Inflation

The annual inflation rate in Bangladesh is embodied by soaring prices of both food and non-food items following strong demand. The average inflation rate increased to 6.15% in FY2022 from 5.56% in FY2021, reflecting the higher global oil, gas, and commodity prices resulting from supply-management disruptions caused by the Russian invasion of Ukraine. The Energy and Mineral Resources Division under the Ministry of Power, Energy and Mineral Resources, Bangladesh hiked diesel and kerosene prices by Tk34 per liter to Tk114, octane price by Tk46 per liter to Tk135 and petrol price by TK 44 to 130 TK

As per BBS report Inflation rate in May, 2022 soared to 7.42% which one is eight-year high mostly wielded by massive increase of prices of food items, Last year, a bumper production of paddy happened in Bangladesh and which provide the government some sense of relief controlling the food price This year total paddy production is estimated to be more than 3 lakh tones higher than the last year which will give some assistance to control food inflation though some natural calamities have destroyed about 20,000 hectares of paddy ground across the country.

Bangladesh Bank has made the Monetary policy statement for 2022-2023 and it is expecting to keep inflation at a supportable level. Bangladesh Bank's 2022-23 MPS is set to tight the economy, focusing to control inflation though it would be very difficult to keep it in control.

2.4 Capital Market Outlook

Bangladesh has experienced enormous growth in the last decade averaging more than 6% GDP growth rate. It is so exciting to note that Bangladesh has become 41st Largest economy in the world, one of the two South Asian

Countries from top 50 largest economy list along with \$2824 per capita income, rose by more than 9% in FY2021-2022.

The capital market in Bangladesh is comprised of two stock exchanges named Dhaka Stock Exchange Limited and Chittagong Stock Exchange PLC. There are 67 merchant banks, 54 Asset management companies, around 280 brokers in DSE and around 150 brokers in CSE. The market capitalization of DSE has surpassed \$53 Billion which was more than 15% of country's GDP as of 31 December, 2021.

The broad index of DSE realized 25.1% return in 2021, which one is 11-year high. During the last quarter of the year, at October Index reached at 7368.0 points which one is the highest since its inception in 2013. The main bourse registered around 50% return in two consecutive years with the closure at 6756.66 in 2021. Market experienced this humongous growth due to facilitative monetary condition, policy support from regulatory bodies. Lower deposit rates, slow private sector credit growth, less investment opportunities in financial market are also reasons to experience the higher return. Currently the market is trading at trailing PE ratio of 14.42 as of August, 2022.

Since the beginning of 2022, disagreements between Bangladesh Bank and Bangladesh Securities and Exchange Commission, liquidity crisis in money market, slow remittance inflow, increasing inflation forced the market to go down. In 2021, total turnover of DSE stood at \$34.5 billion which is 150% higher than previous year. Turnover velocity at DSE increased to 65% marked 11-year high from 30% a year ago. DSEX; the prime indicator of the capital market declined by around 8% to 6756.56 point at the end of December from 7329.03 at the end of September 2021. However, in December 2021, DSEX grew by 25.08 percent and 9.86 percent from December 2020 and June 2021 respectively.

We have seen some parallel momentum between the global equity market and DSE since last couple of years because of increasing trade growth, financial inclusion, foreign investment in DSE. After Covid-19 outbreak central banks all around the world mainly American central bank Federal Reserve System adopted some amazing monetary and financial policies and global stock market started to recover. Similarly, Bangladesh's capital market started to recover.

There are around 350 companies, 37 mutual funds, 222 government bonds, 8 debentures and 9 corporate bonds are available in DSE. In 2021, 14 companies, 4 perpetual bonds, one green sukuk bonds raised around 217 million USD through initial public offerings (IPOs).

During the year, 13 companies made debut trade at DSE of which five companies like BPPL, EPGL, LRBDL, MIRAKTHER & INDEXAGRO were listed in book building method and rest of the companies raised fund through fixed price method. Its been 14 years since any bank got listed in Bangladesh stock market and In 2021, two banks (NRBCBANK & SBACBANK) got listed in DSE and raised BDT 1,200 mn & BDT 1,000 mn respectively in fixed price method. Perpetual Bonds such as AIBLPBOND, IBBL2PBOND, SJIBLPBOND, PREBPBOND started trading at secondary market with coupon rate ranging 6% to 10%.

BEXIMCO Limited, Lafarge Holcim, BEXIMCO Pharma, LankaBangla Finance and British American Tobacco are such large cap stocks those contributed an aggregated 18% of total DSE turnover. In-terms of sector wise turnover, miscellaneous sector contributed around 11% of total DSE turnover.

2.5 The Mutual Fund Industry

The Bangladesh stock market is generally characterized by volatility driven by the poor investment knowledge of the investors, where rumour, instead of analysis based trading dominates, shorter term investment strategies and weaker participation of the institutional investment, lead to excessive volatility of the market and the individual portfolios.

The current mutual funds in the market represent a very small percentage of the total market capitalization. As of December 2022, Asset under Management (AUM) to Market Capitalization ratio for Bangladesh remains low. Currently, there are 35 closed-end funds (listed in the exchange) and 85 open-end funds (not listed in the exchange) available in our capital market (as in January 2023).

As a number of mutual funds are currently in progress to come to market, a paradigm shift will take place with institutions and professional money managers representing a more sizable and reasonable proportion of the market versus retail and short term investors. This shift will help to reduce unnecessary market volatility, lead to more rational price discovery and limit the influence of rumour-based trading in the market on a day-to-day basis.

This growth and maturity in the market is necessary to attract and inject stable and long-term domestic and foreign institutional capital into the markets. Furthermore, the honourable BSEC and other market regulators and industry veterans view responsible expansion of mutual fund industry as key driver for further development of capital market in Bangladesh. Thus, there exists greater scope for market growth in the mutual fund sector.

2.6. Advantages of Investing in BMSL National Housing Growth Fund

Generally, investment in mutual funds provides certain incremental advantages when compared to investment made directly in the capital market. Highlighted below are some of the advantages the investors may benefit from when investing in BMSL National Housing Growth Fund:

Liquidity: You have your money available whenever you need it, and do not have to wait for an expiry date of your investment.

Professional Management: BMSLAMC has a highly skilled in-house research team who are experienced investment professionals dedicated to research the stock market, its scripts and the impact of the broader macro-economic factors that impact the market.

Diversification: It allows the investment in different financial instruments, minimizing the risk that would be taken by investing in only one.

Easy access: No matter how small your investment is, the Mutual Funds allow you to access alternatives that were only reserved for big Investors.

Simplicity: Unlike other alternatives, your investment in BMSL National Housing Growth Fund does not have a due date and does not require to be renewed.

Transparency: The investment follow-up is easily done by checking the unit value that is published in wide circulation means. Management and operations of mutual funds are subject to strict regulations from the BSEC and the Sponsor-appointed Trustee, both of whom closely monitor the performance of the fund. The laws governing mutual funds require exhaustive disclosure to the regulator and general public. The strictness of regulation will ensure safety of the fund.

Price: Price of the Units of the fund won't be determined by demand and supply, rather by Net Asset Value (NAV).

CHAPTER 3: THE FUND

3.1. Formation of the Fund

'BMSL National Housing Growth Fund' is a trust property established through a deed of trust entered into between National Housing Finance and Investments Limited and Bangladesh General Insurance Company Limited (BGIC) on December 21, 2022 under the Trust Act, 1882 and registered under the Registration Act, 1908. The Fund was registered by the BSEC on 24 January, 2023 under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১. The BSEC has also provided consent on 10 April 2023 to raise subscription from the general investors through public offer.

3.2. Life of the Fund

The Fund will be an 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. 250,000,000 (Taka Twenty Five Crore) only divided into 25,000,000 (Two Crore Fifty Lac) Units of Tk. 10 (Taka Ten) each. Size of the Fund will be increased from time to time by the Asset Manager subject to approval of the Trustee and with due intimation to the BSEC.

3.3. Face Value and Denomination

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

3.4. Investment Objective

The fund is designed as a Balanced Growth Fund. The objective of the fund is to maximize the wealth of valued unit holders by maintaining efficient risk management and making prudent investment decisions in the long run.

3.5 Investment Policy

3.5.1 Subject to the provision of the বিধিমালা, a Mutual Fund may invest money collected under the Fund, or any of its Schemes, only in-

- (a) Securities listed with a stock exchange;
- (b) Money Market instruments including government securities;
- (c) Privately placed bonds, debentures and pre-IPO capital of entities with explicit plan to be listed with a stock exchange within two years from the date of investments;
- (d) Securitized debt instruments, which are either asset backed or mortgage-backed securities;
- (e) Open-end mutual funds approved by the Commission;

- 3.5.2 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 Regulatory Authority (IRA) of Bangladesh or any other competent authority in this regard.
- 3.5.3 Not more than 70% of total assets of the Fund shall be invested in capital market instruments. Of this at least 50% shall be invested in listed securities that are actively trading in stock exchanges. Investment in Government Securities shall not be considered as an exposure to capital market instruments.
- 3.5.4 Not less than 30% (thirty percent) of the total asset of the fund shall be invested in fixed income securities including Government Securities.
- 3.5.5 Non-listed securities that are “investment grade” and enjoy “very strong” credit rating by a recognized credit rating agency are eligible for investments by a mutual fund. The Fund can invest in unlisted corporate securities only after a prior approval of the Commission.
- 3.5.6 All money collected under the Fund, except cash and deposits held for liquidity purpose, shall be invested only in encashable and/or transferable instruments, securities whether in money market or capital market or privately placed pre-IPO equity, preference shares, debentures or securitized debts, corporate bonds or any other investable instruments.
- 3.5.7 The Fund shall get the securities purchased or transferred in the name of the Fund.
- 3.5.8 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.

3.6 Investment Restriction

- 3.6.1 The mutual fund shall not, under any circumstance, trade in units of mutual funds, schemes of mutual funds, under the control of the same Asset Management Company.
- 3.6.2 Not more than 10% (Ten Percent) of the total assets of the Fund shall be invested in non-listed securities at any particular date. In case of investment in non-listed corporate bonds or pre-IPO capital, the asset manager shall obtain prior approval of the Commission.
- 3.6.3 The Fund shall not invest more than 10% (Ten Percent) of paid-up capital (or other securities such as bond or debenture) issued by any company.
- 3.6.4 The fund shall not invest more than 10% of its total assets in shares, debentures, or other securities of a singly company or group of companies under the control of a parent company. This condition shall not be applicable for investment in Government Securities.
- 3.6.5 Non-listed securities that enjoy “investment grade” credit rating by a recognized credit rating agency are eligible for investments by the Fund. The Fund can invest in unlisted corporate securities only after a prior approval of the Commission.
- 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 Investment Approach and Risk Control

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

3.7.1 Investments will be pursued in selected sectors based on the analysis of business cycles, regulatory landscape, competitive advantage, prevalence of default etc.

3.7.2 The Asset Management Company in selecting Government Securities will focus on the maturity of the Government Securities, the Yield and the Monetary and Fiscal policies of Bangladesh and its changes actual or impending in making such decisions.

3.7.3 Selective securities will be picked from the selected sectors by focusing on the fundamentals of the business, the industry structure, the quality of management, sensitivity to economic factors, the financial strength of the company, key earnings drivers, credit rating, repayment track record, and structure and seniority of the debt instrument under consideration.

3.7.4 The Asset Management Company will study the macro-economic conditions, including the political, economic environment and factors affecting liquidity and interest rates and corporate spread.

3.7.5 Since disciplined investing requires risk management, The Asset Management Company will incorporate adequate safeguards for controlling risks in the portfolio construction process.

3.7.6 Market risk will be managed through maintaining a dynamic balance between securities and cash.

3.7.7 Idiosyncratic risk will be reduced through adequate diversification of the portfolio. Diversification will be achieved by spreading the investments over different maturity of the Government Securities and the capital market instruments listed in DSE.

3.7.8 Liquidity risk will be managed by investing across the yield curve.

3.7.9 Credit risk will be managed through regular credit evaluation, monitoring and observation of rating migration during the tenure of investment.

3.7.10 The Asset Management Company shall not, for the purpose of including, dissuading, effecting, preventing, or in any manner influencing or framing to its advantage, sale or purchase of any security, directly or indirectly,

(a) Create a false and misleading appearance of active trading in any security;

(b) Effect any transaction in securities between mutual funds under the control of the same Asset Management Company;

3.7.11 Directly or indirectly effect a series of transactions in any security creating the appearance of actively trading therein or of raising of price for the purpose inducing its purchase by others or depressing its price for the purpose of inducing its sale by others.

3.8 Valuation Policy

3.8.1 Investments in financial assets shall be reported at fair value, not at acquisition cost, in the statement of financial position of mutual fund.

3.8.2 At initial recognition, the Asset Management Company shall measure a financial asset at its fair value plus transaction cost that are directly attributable to the acquisition of the financial asset. Likewise, an AMC shall recognize a sale of a financial asset at net realized value, that is, the selling price net of transaction costs.

- 3.8.3 The Asset Management Company shall recognize a financial asset or a financial liability in its statement of financial position when, and only when, the company becomes a party to the contractual provisions of the financial instrument. At initial recognition, the AMC shall measure a financial asset or a financial liability at its fair value plus (or minus) transaction costs that are directly attributable to the acquisition (or issue) of the financial asset or financial liability.
- 3.8.4 After initial recognition of a financial asset, the Asset Management Company shall classify, subject to the approval of the Commission, the financial asset as subsequently measured at fair value through profit or loss, fair value through other comprehensive income, or amortized cost on the basis of both:
- (a) The company's business model for managing financial assets and
 - (b) The contractual cash flow characteristic of the financial assets
- 3.8.5 The AMC shall have the option, at initial recognition, to irrevocably designate a financial asset and a financial liability to be measured at fair value through profit or loss.
- 3.8.6 After initial recognition, that is, at subsequent balance sheet dates, the AMC shall measure a financial asset at fair value through profit or loss, fair value through other comprehensive income or amortized costs and in compliance with provisions of IFRSs.
- 3.8.7 After initial recognition of a financial liability, the AMC shall classify and measure, subject to the approval of the Commission, all financial liabilities at fair value through profit or loss, or amortized costs and comply with provisions of IFRSs. The AMC shall have the option, at initial recognition, to irrevocably designate a financial liability to be measured at fair value through profit or loss.
- 3.8.8 A gain or loss on a financial asset or financial liability that is measured at fair value shall be recognized in profit or loss unless:
- (a) It is an investment in an equity instrument and the AMC has elected present to present gains and losses on that investment in other comprehensive income.
 - (b) It is a financial asset measured at fair value through other comprehensive income.
 - (c) It is a financial liability designated as at fair value through profit or loss, but the entity is required to present the effects of changes in the liability's credit risk in other comprehensive income. In that case, the remaining amount of change in the fair value shall be presented in profit or loss.
- 3.8.9 At initial recognition, the AMC may elect to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument which is not held for trading. The AMC shall however recognize in profit or loss any dividends from Investment in equity instruments that are not held for trading.
- 3.8.10 A gain or loss on a financial asset measured at fair value through other comprehensive income shall be recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses.
- 3.8.11 The accrued interest on the Fixed Income Securities shall be considered for calculation of Net Asset Value (NAV).
- 3.8.12 In case of deferred expenses, accrued expenses for the period will be taken into account for determining total liabilities of the Fund.
- 3.8.13 For listed securities, the quoted closing price on Dhaka Stock Exchange (DSE) on the date of valuation shall form the basis of calculation of Net Asset Value (NAV) of the Fund.
- 3.8.14 In case a security is not traded with Dhaka Stock Exchange, the quoted closing price of the security on Chittagong Stock Exchange (CSE) on the date valuation shall be considered for calculation of NAV of the Fund.

- 3.8.15 In case a security is not traded for 30 (thirty) days in the DSE, the closing price of the security at DSE or CSE, whichever happens later, shall be considered for calculation of NAV of the Fund.
- 3.8.16 The valuation of listed securities not traded in DSE or CSE within the last 30 (Thirty) days will be made based on their reasonable value by the Asset Management Company and approved by the Trustee and comment 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.
- 3.8.17 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 (NAV) of the Fund.
- 3.8.18 The Fund shall comply with accounting recognition and measurement principles and disclosure rules of International Financial Reporting Standard (IFRSs) for the valuation of investments in securities and other financial instruments and be subject to the prior approval of the Commission.
- 3.8.19 The valuation of non-listed securities shall be made by the Asset Management Company in compliance with IFRSs and approved by the Trustee. The Asset Management Company and the Trustee shall periodically review the non-listed investments. The auditors shall comment on the non-listed investments in the annual report of the scheme of the Fund.
- 3.8.20 Adequate disclosure shall be made on the valuation of investment in securities and other financial instruments in both the interim and annual financial statements. Trustee shall not approve any financial statements without adequate disclosure or accounting policies as to the fair valuation of investments in securities.
- 3.8.21 Independent external auditor shall give opinion as to the fair value of investments in securities and/or financial instruments of the Fund. The external auditor shall specifically comment on assumptions and inputs used for the valuation of investments in unlisted securities of the Fund.
- 3.8.22 Once non-listed securities are valued, the valued amount will be considered for the purpose of valuing the Fund's assets in any interval of time until the securities are further revalued by the Asset Management Company.
- 3.8.23 The Asset Management Company and the Trustee will value the non-listed securities at least once in every three months.
- 3.8.24 The AMC should provide a quarterly valuation report for the non-listed investment to the trustee.

3.9 Accounting and Reporting for Provision for Diminution (or Appreciation) in Fair Value of Investments in Financial Assets

- 3.9.1 After the initial recognition of a financial asset, an Asset Management Company shall make provision for diminution in the fair value of investments in securities of a Mutual Fund whenever the fair value of a security is less than its acquisition cost. At subsequent balance sheet dates, if the fair value of the financial asset further decreases, a new provision to that extent shall accrue with respect to that particular financial asset. On the other hand, if the fair value rises since the previous balance sheet date but remains below the acquisition costs of the financial asset, a reversal of past provision to the extent of the rise shall be made and added to the earnings for the period of the Fund.

- 3.9.2 Investments in financial assets shall be reported at fair value, not at acquisition cost, in the statement of financial position of a mutual fund.
- 3.9.3 If the fair value investments in a security exceeds the acquisition cost, the excess of the fair value over the acquisition cost shall be recognized as “other comprehensive income.” not to be offset against aggregate provision for diminution in the fair value of investments in other securities.
- 3.9.4 Other comprehensive income shall be reported as a part of the unit holders’ equity of the Mutual Fund.
- 3.9.5 Any financial asset, which is not actively trading in any organized stock exchange, shall be classified as a “Non-performing financial asset” if the issuer of the security fails to pay a return, either a dividend or an interest income, to the Asset Management Company in consecutive two financial years.
- 3.9.6 The fair value of a “non-performing financial asset” shall be done following International Financial Reporting Standards (IFRSs), supplemented by a full disclosure of inputs and methods of the valuation, and be subject to the approval of the Trustee of the Fund.
- 3.9.7 The external auditor shall comment on the fair valuation of investments in financial assets which are either unlisted or not actively trading in a stock exchange and on the quality of accompanying disclosure on investments in financial assets.

3.10 Net Asset Value (NAV) calculation

3.10.1 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

3.10.2 The Net Asset Value of a Fund shall be equal to the fair value of identifiable assets minus the fair value of liabilities of the Fund. Net Asset Value per unit shall be calculated by dividing the Net Asset Value by units outstanding of the Fund at the measurement date.

3.10.3 An Asset Management Company shall calculate Net Asset Value (NAV) per unit of a mutual fund at fair value on a weekly basis and be disclosed in the manner specified by the Commission.

3.10.4 An asset is identifiable if it either:

- (a) Is separable, i.e., capable of being separated or divided from the entity, or sold, transferred, licensed, rented, or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the entity intends to do so; or
 - (b) Arises from contractual or other rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.
- 3.10.5 Identifiable assets may include intangibles including monetary assets without physical substance but shall exclude fictitious assets such as unamortized issue cost, preliminary costs, and/or advances, deposits and prepayments which embody no future economic benefits and cash flows to the company.
- 3.10.6 Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement shall be done for a particular asset or liability. A fair value measurement assumes that the transition to sell the asset or transfer the liability takes place either in the principal market for the asset or in the absence of the principal market, in the most advantageous market for the asset or liability.
- 3.10.7 In order to do fair valuation of assets and liabilities of a Fund, the Asset Management Company shall strictly comply with accounting recognition and measurement principles and disclosure provision of International Financial Reporting Standards (IFRSs) particularly including that of IFRS 13 (Fair Value Measurement)

3.11 Dividend Policy

- 3.11.1 The accounting year of the Fund shall be July 01 to June 30;
- 3.11.2 The Fund shall not issue reinvestment unit (RIU) under any circumstance.
- 3.11.3 The Fund shall distribute minimum 50%, or as may be determined by the ^{বিশিষ্টালা} from time to time, of the annual net income of the Fund as dividend at the end of each accounting period after making provision for bad and doubtful investments. The Fund shall create a dividend equalization reserve by appropriation from the income of the Scheme;
- 3.11.4 Net income for a financial period of a mutual fund shall be measured following International Financial Reporting Systems (IFRSs) and after incorporating all valid income, eligible expenses as well as provision for diminution in the fair value of investments in securities and other financial assets.
- 3.11.5 Trustee shall examine every item of expenses of a mutual fund and determine their eligibility to be a valid charge against income of the Fund.
- 3.11.6 Adequate disclosure shall be made with respect to provision (or reversal of provision) for diminution (or appropriation) in fair value of investments in securities. The excess of fair value over costs of investments in securities, if true in aggregate, shall be reported as an 'other comprehensive income' in the Statement of Profit or Loss or Other Comprehensive Income and not be a part of earnings for the period.
- 3.11.7 Other comprehensive income shall be reported as a separate line item under the unit holders' equity and not be aggregated with any other reserve(s).
- 3.11.8 Surpluses arising simply from the valuation of investments shall not be available for dividend;

- 3.11.9 A mutual fund shall make a full disclosure of the provision for diminution in fair value of investments in the statement of changes in unit holders' equity specifically showing changes in the provision account during the period.
- 3.11.10 Dividend shall never be paid out of other comprehensive income and /or unrealized capital gains.
- 3.11.11 Without violating provisions of this Directive, a mutual fund may create a dividend equalization reserve in order to stabilize payments of dividends in future.
- 3.11.12 Dividend warrants will be dispatched within 45 days from the declaration of such dividend

3.12 Classification of Income and Expenses

- 3.12.1 The Asset Management Company (AMC) shall present separately each material class of similar items in the statement of profit or loss and other comprehensive income for a period of a mutual fund or a scheme of the Fund.
- 3.12.2 The AMC shall clearly identify major heads of income and expenses (or gains or losses) as separate line items in the statement of profit or loss and other comprehensive income for a period of a mutual fund or a scheme of the Fund.
- 3.12.3 The AMC shall recognize income and expenses (or gains and losses) using the accrual basis of accounting. The Fund shall, in its accounts, make a disclosure by segregating its earnings into capital gains and other incomes in its respective accounts.
- 3.12.4 The Asset Management Company shall be entitled to asset management fees which will be calculated once a week on the basis of Net Asset Value (NAV) at fair value of a mutual fund at the end of each quarter of a financial year and according to rates as per the Rules.

3.13 Limitation of expenses

- 3.13.1 All expenses should be clearly identified and appropriated to the Fund.
- 3.13.2 The Asset Management Company may charge Fund for Investment Management.
- 3.13.3 An Asset Management Company shall also be eligible to charge the following additional expenses against a mutual fund in addition to the asset management fees as defined in rule 65(2)
Asset Management Company shall amortize the initial issue costs of the Fund within a maximum period of five (05) years. In case of availability of profits, an Asset Management Company can amortize the initial issue expense over a shorter period than five years. Provided that the initial issue cost of a Mutual Fund, or any Scheme of a Mutual Fund, shall not exceed 3% of capital actually raised under the Fund or the Scheme of the Fund. The Asset Management Company shall furnish to the Commission a detailed breakdown of the initial issue cost in the prospectus/offer documents of the Fund.
- 3.13.4 The Trustee shall be paid an annual Trusteeship fee @0.10% of the Net Asset Value (NAV) at Fair value of the Fund on a semi-annual basis, during the life of the Fund.
- 3.13.5 The fees for Custodian services shall not exceed 0.10% per annum of the fair value of securities (both listed and non-listed) held by the Fund, to be calculated and paid on a semi-annual basis.
- 3.13.6 In addition to the fees mentioned here in above the Asset Management Company may charge the Scheme of the Fund with the following recurring expenses, namely;
 - a) Bank charges
 - b) Annual fees payable to the Commission as per the Rule (11)
 - c) CDBL Fees
 - d) Listing Fees
 - e) Audit Fees
 - f) Costs for publication of reports and periodicals specifically related to the Fund.

- g) Valid expense for organizing a unit holders' meeting in compliance with the Mutual Fund Rules-2001.
- 3.13.7 For an open-end mutual fund, no selling/marketing expense shall be applicable for the issue of new units to investors.
- 3.13.8 Legal expenses of an Asset Management Company shall not be a charge against income of a Mutual Fund.
- 3.13.9 An Asset Management Company shall not charge transaction costs (including brokerage commission) as an expense in the statement of profit or loss and other comprehensive income.
- 3.13.10 The expenses referred hereinabove and any other fees payable or reimbursable to the Asset Management Company or the Trustee shall be charged to the open-end Mutual Fund.
- 3.13.11 Asset Management Fees shall be payable on a quarterly basis

3.14 Price Fixation Policy and Sale and Re-purchase Procedure

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 the asset manager upon approval of the Trustee and with due intimation to BSEC.

The asset manager shall calculate the Net Asset Value (NAV) per unit on 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.

Sales and repurchases procedure is given below:

- I. The Units of **BMSL National Housing Growth Fund** may be bought/ surrendered through **BMSL Asset Management Company Limited (BMSLAMC)** and authorized selling agents appointed by the Asset Manager from time to time and any other procedure as prescribed by the Asset Manager. Surrendered of units is allowed only through BMSLAMC or the selling from which the units are originally purchased
- II. During initial subscription minimum purchase amount for individual investors is 500 (Five Hundred) Units and for institutional investors is 5,000 (Five Thousand).
- III. Application for purchase of Units should be accompanied by an account payee cheque/pay order/bank draft in favor of "BMSL National Housing Growth 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 investors applies for. If BO A/C is provided during the registration, the Units holder's will also be delivered to the Unit holders BO A/C
- V. Partial surrendered (fraction of units held under a Unit Allocation Confirmation) is allowed without any additional cost subject to minimum surrender quantity is 500 (Five Hundred) units for individuals

and 5,000 (Five 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. The redemption (or repurchase) of units of a Fund, or a Scheme of the Fund, shall be made on first-come-first-serve basis. In the event the redemption request on a particular day exceeds 5% of the total units outstanding of the fund, the Asset Management Company may defer the redemption request over 5% for a period of maximum 3 (three) working days. Provided that redemption in excess of 5% of total units outstanding shall also be done at repurchase price of the day when redemption requests were actually submitted to the asset manager.
- VII. All payments/receipts in connection with or arising out of transactions in the units shall be in Bangladeshi Taka.

3.15 WINDING UP OF THE FUND

Procedure of winding up

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

Manner of winding up

- I. The Trustee shall call a meeting within 30 days from the notice date of the unit holders of a Scheme to consider and pass necessary resolutions by three-fourth majority of the unit holders present and voting at the meeting for authorizing the Trustee to take steps for winding up of the Scheme. If it fails to have three-fourth majority mandate, the Commission shall have the power to supersede the mandate if situation demands such.
- II. The Trustee shall dispose off the assets of the Scheme of the Fund in the best interest of the unit holders;
Provided that the proceeds of sale made in pursuance of the 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.
- III. Within thirty days from the completion of the winding up, the Trustee shall forward to the Commission and the unit holders a report on the winding up containing particulars, such as circumstances leading to the winding up, the steps taken for disposal of assets of the Scheme before winding up, expenses of the Fund for winding up, net assets available

for distribution to the unit holders and a certificate from the auditors of the Scheme of the Fund.

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;
- c. cease to issue and redeem units of the Open-End fund.

3.16 Fund Management

BMSL Asset Management Company 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, BMSLAMC shall have discretionary authority over the Fund's portfolio about investment decisions.

Chapter 4: Risk Factors

Investing in the BMSL National Housing Growth Fund (hereinafter the Fund) involves certain risks normally associated with making investments in securities. There can be no assurance that the Fund will achieve its investment objectives. The value of the Fund can fluctuate to increased or decreased level. On redemption, there is no assurance that the investors will receive the amount originally invested. The Fund is suitable for investment by investors who understand the risks involved and who are willing and able to survive the loss of their investments. In particular, prospective investors should consider the following risks.

General Risk

There is no assurance that the Fund will be able to meet its investment objectives and investors could potentially incur losses, including loss of principal when investing in the Fund. Investment in the Fund is not guaranteed by any government agency, the Sponsor or the AMC. Mutual Funds and securities investments are subject to market risks and there can be no assurance or guarantee that the Fund's objectives will be achieved. As with any investment in securities, the Net Asset Value of the Fund may go up or down depending on the various factors and forces affecting the capital markets. Investors should study this offer document carefully in its entirety before investing.

External Risk Factor

Performance of the Fund is substantially dependent on the macroeconomic situation and in the capital market of Bangladesh. Political and social instability may have an adverse effect on the value of the Fund's assets. Adverse natural climatic condition may impact the performance of the Fund.

Market Risk

Bangladesh capital market is highly volatile and prices of other securities can fluctuate significantly. The Fund may lose its value or incur a sizable loss on its investments due to such market volatility. Stock market trends indicate

that prices of majority of all the listed securities move in unpredictable direction which may affect the value of the Fund.

Concentration Risk

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

Dividend Risk

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

Underlying Liquidity Risk

For investing in Pre-Public Offer Placement securities i.e. in the unlisted equity securities by the Fund, may involve liquidity risk. In addition, market conditions and investment allocation may have an impact on the ability to sell securities during periods of market volatility. Debt securities, while somewhat less liquid, lack a well-developed secondary market, which may restrict the selling ability of the Fund, and may lead to the Fund incurring losses till the security is finally sold. While securities listed on the stock exchange carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock exchanges and may lead to the Fund incurring losses till the security is finally sold.

Investment Strategy Risk

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

Credit Risk

Since the Fund will seek to invest as per the Mutual Fund Regulations (2001) in both equity and fixed income securities, the credit risk of the fixed income issuers is also associated with the Fund. Investment in fixed income securities is subject to the risk of an issuer's inability to meet interest and principal payments on its obligations and market perception of the creditworthiness of the issuer.

Interest Rate Risk

The Net Asset Value (NAV) of the Fund is expected to increase consequent upon a fall in interest rate while it is supposed to fall with a rise in the interest rate to the extent it is invested in Debt and Money Market securities. Also, zero coupon securities do not provide periodic interest payments to the holders and hence these are more sensitive to changes in interest rates.

Issuer Risk

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

THE MUTUAL FUND IS NOT GUARANTEEING OR ASSURING ANY RETURNS.

Chapter 5: Formation, Management and Administration

5.1. Sponsor of the Fund

National Housing Finance and Investments Limited (NHFIL) is a leading private-sector housing finance company incorporated in August 1998 as a public limited company under the Companies Act 1994. The Company obtained license from Bangladesh Bank under the Financial Institutions Act, 1993 in December 1998. The main objectives of the Company are to carry on the business of financing the acquisition, construction, development and purchase of houses, plots, apartments, real estates, commercial spaces etc. with a view to providing finance for peoples' basic need for shelter, enhance housing stock of the country, and promote affordable home ownership. The Company is qualified and capable to be the Sponsor of an Open-End Mutual Fund.

5.2. Asset Manager of the Fund

BMSL Asset Management Company Limited, an asset management company incorporated under the Companies Act, 1994, registered with the Bangladesh Securities and Exchange Commission (BSEC) on July 14, 2019. BMSLAMC is the asset manager of the fund.

5.3. Trustee of the Fund

Bangladesh General Insurance Company Limited is a leading private-sector general insurance company with a proven track record of being the trustee for existing open-end and close-end mutual funds in the country. In order to ensure maximum trust and confidence of the investors, supervisory bodies, and the persons concerned towards the Fund, the BGIC will act as the Trustee of the Fund.

The Trustee, shall constitute a Committee with a minimum of two members, which shall be responsible for discharging the obligations of the Trustee and the first such Committee shall be constituted with the following members:

1. Chairman, BGIC Ltd
2. Managing Director & CEO, BGIC Ltd
3. Financial Consultant, BGIC Ltd
4. Deputy Managing Director, BGIC Ltd

5.4. Custodian of the Fund

BRAC Bank Ltd, a banking company, incorporated under Companies Act, 1994 and registered with the Bangladesh securities & Exchange Commission on December 15, 2009 to act as Custodian, engaged in, among others, custodial services having required capabilities, qualifications and adequate skills in its concerned field of activities.

5.5. Investment Management

BMSL Asset Management Company Limited, backed by a dedicated research team, is committed to the investors to provide them with the services of an experienced fund manager who handles the investment decisions based on the performance and prospects available in the market to achieve the objectives of the mutual fund scheme.

5.5.1. Investment Management Process

A top down and bottom-up approach may adopt with the following investment analysis and risk control measures:

a) Top Down Approach

- Economic Analysis
 - Analyze domestic and global Macroeconomic Indicators
 - Forecast economic outlook of domestic and Global Economy
 - Review Monetary & Fiscal Policies and analyze their implication on macroeconomic condition
- Industry Analysis
 - Identify the prospective industries aligned with the positive economic outlook
 - Understand the business dynamics of the industry and identify the key driving forces
 - Review the economic history of the industry in other countries with comparable economic status
- Company Analysis
 - Understand the business dynamics of the covered company
 - Comprehensively understand the Financials of the covered company
 - Interview top level officials of the targeted companies to have complete understanding on their future outlook and strategic vision
 - Apply multiple equity valuation models and estimate the intrinsic price of the stock

b) Supplementary Analysis

The Capital Market of Bangladesh is in an emerging phase and is neither strongly efficient nor very weak at present. Thus, the importance of the following supplementary analysis is very high.

- Technical Analysis
 - Analyze the stock price data to identify key arbitrage opportunities
 - Distinguish stocks which are fundamentally strong and hold positive outlook with technical analysis with other stocks
- Quantitative Analysis
 - Build Time Series Econometric model to forecast the future price movement dynamics

5.5.2. Portfolio Management Policy

1. Optimum sector-wise allocation of fund is the key factor of portfolio Management process.
2. Invest in sectors with positive outlook but maintain the Regulation of Mutual Funds 2001.
3. Focus on the nature of the Fund and make decision which is suitable for the total portfolio.
4. Must consider the market impact for the Investment Decision. Both buying and selling decision must have a significant implication on the overall market dynamics.
5. Market manipulation and utilizing nonpublic insider information is strictly forbidden.
6. The ethical standard and level of confidentiality of the Investment Manager and its research team are very important for the investors of the fund and for the integrity of the capital market.

5.5.3. Brief Profiles of Management

Mr. Md Mahmud Himal, Managing Director

Mr. Md Mahmud Himal has over 15 years of professional experience in financial analysis, feasibility study of projects, and investment due diligence. Mr. Mahmud possesses vast experience of managing operations of a number of local and multinational companies, particularly in the area of capital market. Multi Securities and Services Limited (as Senior General Manager), United Financial Trading Company Limited (as Deputy Managing Director) are the major organizations, where he has flourished his professional expertise.

He possesses hands-on experience of working in almost every area including mutual fund management and administration, portfolio management, corporate research, and substantial share acquisition. During his professional career, he has executed numerous organic expansion plans, and introduction of various service programs of the organizations he served. He participated in a number of seminars regarding Capital Market both at home and abroad.

He completed his MBA majoring in AIS from the University of Dhaka.

Mr. Mohammad Shahidur Rahman Khan, Chief Operating Officer

Mr. Mohammad Shahidur Rahman Khan works as “Chief Operating Officer” at BMSL Asset Management Company Limited. He completed his MBA from the University of Dhaka.

Prior to joining BMSLAMC, he worked as Chief Operating Officer, at Mercantile Bank Securities Ltd, Dhaka, Bangladesh.

He completed his BBA (Major in Finance & Banking) from Jahangirnagar University in 2007.

Article(s) Published:

- I. Smart option for banks to manage Credit Risks-
M Shahidur R Khan and K. M.K.U. Romel, The Financial Express Bangladesh on April 7, 2016 (Vol. 23, No. 146).
- II. Liquidity: A bigger challenge than capital in Basel-III-
M Shahidur R Khan and K. M.K. U. Romel, The Financial Express Bangladesh on February 29, 2016 (Vol. 23, No. 109).
- III. Basel-III Challenges for Risk Management in Banking-
M Shahidur R Khan and K. M.K. U. Romel, The Financial Express Bangladesh on February 11, 2016 (Vol. 23, No. 92).

Mr. Mirajus Salakeen, AVP & Head of Compliance

Mr. Mirajus Salakeen works as an “AVP & Head of Compliance” at BMSL Asset Management Company Limited (BMSLAMC). He passed seven papers of ACCA and also enrolled at level - 3 of ICMAB. He previously served as Manager – Compliance & Operations at Credence Asset Management Company Limited.

He completed his BBA (Accounting) from Ahsanullah University of Science and Technology and MBA (Finance) from University of Dhaka.

5.5.4. Investment Committee

As per the decision of the board, the investment committee consists of the following members –

- i. **Mr. Md. Mahmud Himal, Managing Director**
- ii. **Mr. Mohammad Shahidur Rahman Khan, Chief Operating Officer**
- iii. **Mr. Mirajus Salakeen, AVP & Head of Compliance**

5.6. Auditors

Aziz Halim Khair Choudhury, Chartered Accountants, having Corporate office at House # 75/A, Abasar Bhaban (2nd Floor), Road # 5/A, Dhanmondi R/A, Dhaka – 1209, Bangladesh, shall be the first auditor of the Fund. Subsequent auditors shall be appointed by the Trustee.

5.7. 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, CDBL fees, 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 details as follow:

5.7.1 Issue and Formation Expenses:

Initial issue and formation Expenses are estimated not to be over 3 (three) percent of the collected amount BDT 25,00,00,000/- (BDT Twenty-Five Crore) only. The issue and formation expense will be amortized within 5 (five) years on a straight-line method. The estimate expenses for issue and formation of the Fund are present below:

Estimated Issue and Formation Expenses					
SL.NO.	Types of Expenses	Total Tk.	Subtotal/Details	% of total fund	Description
1	Formation fee payable to the AMC	2,500,000	Set-fee	1.00%	Formation fee to AMC on collected fund approved fund size
2	Legal Compliance & related Expenses (Application fees etc.)	932,800	100,000	0.37%	Application fee to BSEC
			500,000		BSEC Registration Fee (0.2% of the Initial Fund size)
			15,000		Trust Deed Registration Expense-Govt.Fees

			135,000		Trust Deed Registration Expense- Professional Fees
			37,500		CDBL Fee (Distribution of 2.5 crore Units x BDT 10 x 0.00015)
			2,500		CDBL Documentation Fee
			40,000		CDBL Annual Fee
			6,000		Depository Connection Fee for 12 months
			95,000		Procurement of CDBL vEDAS PC
			1,800		BO Account Maintenance Fee to Custodian (BRAC Bank)
3	Printing, Publication & Marketing	1,150,000	350,000	0.46%	Publication of Abridged Version of Prospectus and Notification of Subscription
			350,000		Printing of Prospectus and Application Forms
			300,000		Printing of Forms, Flyers, Scheme brochures and other marketing Documents
			50,000		Courier & Distribution Expenses
			100,000		Online marketing
4	Other/Miscellaneous Expense	248,000	150,000	0.10%	Payment VAT & TDS to Govt. Treasury
			50,000		Conveyance
			48,000		Internet Connection for CDBLPC
	Total Expenses	4,830,800		1.93%	

* The above costs are made in best estimates, which may vary at actual. The trustee shall approve the formation expenditure and will inform BSEC within 15 days of such formation meeting.

5.7.2 Management Fee:

As per সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়ালফান্ড) বিধিমালা, ২০০১ the Fund shall pay a management fee to the Asset Management Company @2.50 percent per annum of weekly average NAV up to Tk.5.00 crore and @2.00 percent per annum for additional amount of the weekly average NAV up to 25.00 crore over Tk. 5.00 crore and @1.50 percent per annum for additional amount of the weekly average NAV up to Tk. 50.00 crore over 25.00 crore and @1 percent per annum for additional amount of the weekly average NAV over Tk.50.00 crore, accrued and payable semi-annually/quarterly.

5.7.3 Trustee Fee

The Trustee shall be paid an annual Trusteeship fee of @ 0.10% of the Net Asset Value (NAV) of the Fund or BDT 2,00,000.00 (Two Lac Taka only) whichever is higher, on semi-annual in advance basis, during the life of the Fund or as may be agreed upon between the parties.

5.7.4 Custodian Fee

The fee for Custodian services will be 0.08% per annum of balance securities held by the Fund, calculated on the average market value per month. Besides this, the Fund will bear all other expenses viz (a) transaction fee of BDT 200.00 per transaction; (b) local duties and fees like stamp duty on transactions, stamp duty on transfer deed; (c) levies, brokerage, registrar's fees, local counsel / representation, external auditors at the client's request, depository fees etc. However, a fee cap of 0.10% per annum on balance securities held by 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 services will be realized semi-annually.

5.7.5 CDBL Fee

The fixed annual fee of CDBL will be Tk. 20,000 (Twenty Thousand) only plus VAT. Annual Central Depository (CDS) connection fee will be Tk.6,000 (Six Thousand) only plus VAT.

5.7.6 Fund Registration and Annual Fee

The Fund has paid Tk.5,00,000 (Five Lac) only to the Bangladesh Securities and Exchange Commission as registration fee. In addition, The Fund shall pay annual fees, by a pay order or bank draft at the rate of 0.10% of net asset value (NAV) at fair value of the fund, or the scheme of the fund or Tk. 100,000.00 whichever is higher to the commission within 90 days from the end of the financial year. Provided that in case of a failure to pay the annual fees within the aforesaid deadline, the Asset Management Company, not the mutual fund, shall be liable to pay a fine equivalent to half of the annual fees for a delay of every month or a part thereof. An Asset Management Company shall not be allowed to launch a new mutual fund, or a new scheme of a mutual fund, if it fails to pay annual fees as per the বিধিমালা.

5.7.7 Commission Payable to Selling Agent(s)

The fund shall pay commission to the authorized selling agent(s) to be appointed by the Asset Manager @1.0 percent per transaction amount of sales and redemptions which may change in future with the approval of the Trustee.

5.7.8 Audit Fee

The auditor fee will be Tk. 50,000 (Fifty Thousand only) for the first accounting year and the Trustee will fix fees for subsequent years.

5.7.9 Brokerage Fee

The fund will pay to stock broker commission of 0.25%-0.40% of the total amount transaction Howla, Laga, CDBL fees and any other associated costs.

5.7.10 Operational Expenses

Total operating expense, excluding amortization of initial issue costs and provision for diminution in the fair value of investments, of a Mutual Fund, a scheme of a fund, shall not exceed 4% (Four Percent) of net asset value (NAV) at fair value of the Fund.

5.7.11 Amortization of Issue and Formation Expenses

Asset Management Company may amortize the initial issue costs of the Fund within a maximum period of five (05) years. In case of availability of profits, an Asset Management Company can amortize the issue expense over a period which is smaller than five years.

CHAPTER 6: SIZE OF THE FUND, TAX ADVANTAGES AND RIGHTS OF UNIT HOLDERS

6.1 Size of the Issue

6.1.1 National Housing Finance and Investments Limited, the sponsor has already subscribed Tk. 25,000,000 (Two Crore Fifty Lac) only worth of Units equivalent to 2,500,000 (Twenty-Five Lac) Units of Tk. 10 (Ten) each at par on 21 December, 2022 the effective date as per সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়ালফান্ড) বিধিমালা, ২০০১.

6.1.2 Pre -IPO Placement and IPO

The initial size of the Fund shall be Tk. 250,000,000 (Taka Twenty-Five Crore) only divided 25,000,000 (Two Crore Fifty Lac) Units of Tk. 10 (Ten) each which may be increased from time to time by the Asset Manager subject to the 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	Amount (TK)	Status
Sponsor National Housing Finance and Investments Limited	2,500,000	10	25,000,000	Subscribed
General Investors	22,500,000	10	225,000,000	Yet to be Subscribed
Total	25,000,000	10	250,000,000	

6.2 Tax Advantage of BMSL National Housing Growth Fund

6.2.1 Tax Advantage on Income: Capital Gain from a mutual fund, maximization of which is the primary objective of "BMSL National Housing Growth Fund", is entirely tax exempted for an individual investor and only 10% tax is applicable for an institutional investor (এস আর ও নং ১৯৬ আইন / আয়কর / ২০১৫, dated 1 July 2015).

Income from a mutual fund or a unit fund up to Tk. 25,000.00 (Twenty Five Thousand) is exempted from tax per clause 22A of Schedule (Part A) Under Income Tax Ordinance, 1984.

6.2.2 Investment Tax Credit: According to the current Income Tax Ordinance (ITO) 1984, section 44 (2) (c) amended in 2016, amount of allowable investment is actual investment or 25% of the total (taxable) income or BDT 150,00,000.00 which is lowest.

6.3 Rights of the Unit Holders:

The right attached to the units of the Fund are as follows:

- Voting Rights:** All the Unit holders shall usual voting right. 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 (মিউচুয়ালফান্ড) বিধিমালা, ২০০১. In case of show hands, every Unit holders present in person or/and by proxy shall have only one vote for every Unit of which/he/she is the holder
- Transfer of Units:** Units of the Fund are transferrable by way of inheritance/gift/and/or/ by specific operation of law.
- Dividend:** All the unit holders have equal but proportionate right with respect to dividend. Dividend will be paid in Bangladeshi Taka only.

- d) **Periodic Information:** All the unit holders of the Fund shall have the right to the Annual Report & Audited Accounts of the Fund. The Fund will calculate their NAV at the end of each week. Weekly NAV of the Fund is to be notified to the Unit holders through website of the Asset Manager (www.bmslamc.com) and a press release to 1 (one) daily national newspaper which covers capital markets news.
- e) **Accounts and Information:** The Fund's financial year will be closed on June 30th of every calendar year or as determined by the Commission. Annual report or abridged version of audited financial Statements in line with schedule VI of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়ালফান্ড) বিধিমালা, ২০০১ will be published within 45 (Forty-five) days from closure of each accounting year.

6.4 Beneficial Interest

1. The Unit holders shall preserve only the beneficial interest in trust properties on pro rata basis of their ownership of the fund.
2. Furthermore, the NAV, NAV per Unit, any suspension or alteration of calculation of NAV of the Fund will be published/notified by the Asset Management Company from time to time.

CHAPTER 7: UNIT SUBSCRIPTION

Terms and Conditions of Unit Subscription

- I. The Units of BMSL National Housing Growth Fund may be bought and surrendered/repurchased through BMSL Asset Management Company Limited and authorized Selling Agents appointed by BMSL Asset Management Company Limited 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 500 (Five Hundred) Units and for institutional investors is 5,000 (five thousand) Units.
- V. Application for purchase of Units should be accompanied by an account payee cheque/pay order/bank draft/online bank transfer in favor of 'BMSL National Housing Growth Fund' for the total value of the Units.
- VI. After clearance/encashment of cheque/draft/pay order/online bank transfer, 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 in demat form.

- VII. Partial surrender is allowed without any additional cost subject to minimum quantity is 500 (Five Hundred) units for individuals and 5,000 (Five thousand) units for institutions. Upon partial surrender, the Unit holders will be issued with a new Confirmation of Unit Allocation representing the balance of his/her/their units holding
- VIII. The Units may be transferred by way of inheritance/gift/and/or by specific operation of law. In case of transfer, the Fund will charge a nominal fee as decided by the Asset Manager from time to time except in the case of transfer by way of inheritance.
- IX. Dividend may be delivered in cash or by way of Units holders under Cumulative Investment Plan (CIP) as the application gives option in application form. The unit holders may change their dividend preference in future as per their need.
- X. All payments/receipts in connection with or arising out of transactions of the Units applied in Bangladeshi Taka.

CHAPTER 8: BANKER & SELLING AGENTS

8.1 Banker

Shahjalal Islami Bank Limited has been appointed to act as the Bankers' of the Fund by the Asset Manager. The public subscription money collected from investors will be remitted to act following bank Account:

Account Name	BMSL National Housing Growth Fund
Account Number	400113100002930
Bank Name	Shahjalal Islami Bank Limited
Branch	Dhaka Main Branch
Routing Number	190271781

8.2 Selling Agents

8.2.1 Name of Selling Agents

The following organization has been appointed to act as the selling agents of the mutual fund by the asset manager:

Sl. No.	Name of the Selling Agents	Type of Business
1.	United Financial Trading Company Limited	Brokerage House

The Asset Manager in future may appoint other organizations as its agents or cancel the agent named above subject to approval of the Trustee and with due intimation to the BSEC. In addition to that, individuals will also be eligible to work as selling agents to be appointed by AMC.

8.3 Forms

Specimen copies of the following forms are given in the following pages:

- I. Application Form to Purchase Units, Individual
- II. Application Form to Purchase Units, Institution
- III. Surrender/Repurchase Form
- IV. Transfer Form