

PROSPECTUS

(Abridged Version)

for

AB Bank 1st Mutual Fund

“In the Tradition of Three Decades of Successful Capital Market Investments”

SIZE OF THE FUND: Tk. 150 crore divided into 150,000,000 units at par value of Tk. 10 each

SPONSOR'S CONTRIBUTION: 30,000,000 Units of Tk. 10 each at par for Tk. 300,000,000

PRE IPO PLACEMENT: 45,000,000 Units of Tk. 10 each at par for Tk. 450,000,000

PUBLIC OFFER : 75,000,000 Units of Tk. 10 each at par for Tk. 750,000,000

RESERVED FOR MUTUAL FUNDS: 7,500,000 Units of Tk. 10 each at par for Tk. 75,000,000

NON RESIDENT BANGLADESHIS: 7,500,000 Units of Tk. 10 each at par for Tk. 75,000,000

RESIDENT BANGLADESHIS: 60,000,000 Units of Tk. 10 each at par for Tk. 600,000,000

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.

The particulars of the fund have been prepared in accordance with সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউসিআল ফান্ড) বিধিমালা, ২০০৯, as amended till date and filed with Securities and Exchange Commission of Bangladesh.

The Issue/Fund shall be placed in "A" category.

The Fund shall apply for listing with both the Stock Exchanges.

SPONSOR :

AB Bank Limited (ABBL)

TRUSTEE:

Bangladesh General Insurance Company Ltd.

CUSTODIAN:

BRAC Bank Limited

ASSET MANAGEMENT COMPANY:

RACE Management PCL

Subscription

Subscription opens: September 25, 2011 For Non-Resident Bangladeshis

Subscription closes: September 29, 2011 Subscription closes on: October 08, 2011

Date of Publication of Prospectus: August 29, 2011

Highlights

1. Fund Name:	AB BANK 1ST MUTUAL FUND
2. Size of the Fund:	Tk. 150 crore divided into 150,000,000 units at par value of Tk. 10.00 each.
3. Face Value:	Tk. 10.00 per unit.
4. Nature:	Closed-end Mutual Fund of ten years tenure.
5. Objective:	The objective of the Fund is to provide attractive dividends to the unit holders by investing the proceeds in the various instruments in the Bangladeshi Capital Market and Money Market.
6. Target Group:	Individuals, institutions, non-resident Bangladeshis (NRB), mutual funds and collective investment schemes are eligible to apply for investment in the Fund.
7. Dividend Policy:	Minimum 70% income of the Fund will be distributed as dividends in Bangladeshi Taka only at the end of each accounting year. The Fund shall create a dividend equalization reserve fund to ensure consistency in dividend.
8. Mode of Distribution:	The dividend will be distributed within 30 days from the date of declaration.
9. Transferability:	Units are transferable. The transfer will be made by the CDBL under electronic settlement process.
10. Encashment:	The Fund will be listed with DSE and CSE. So investment in this Fund will easily be encashable.
11. Report & Accounts:	Every unit holder is entitled to receive annual report together with the yearly and half-yearly statements of accounts as and when published.

Risk Factors

Investing in the AB BANK 1ST MUTUAL FUND (hereinafter the Fund) involves certain considerations in addition to the 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 may go down as well as up and there can be no assurance that on redemption, or otherwise, investors will receive the amount originally invested. Accordingly, the Fund is only suitable for investment by investors who understand the risks involved and who are willing and able to withstand the loss of their investments. In particular, prospective investors should consider the following risks:

1. **In General:** There is no assurance that the Fund will meet its investment objective; investors could lose money by investing in the Fund. As with all mutual funds, an investment in the Fund is not insured or guaranteed by the Government of Bangladesh or any other government agency.
2. **Market Price Risk:** Stock prices and Mutual Fund prices generally fluctuate because of the interplay of the various market forces that may affect a single issuer, industry or the market as a whole. The Fund may lose its value or experience a substantial loss in its investments due to such market volatility.
3. **NAV Risk:** Stock market trends show that prices of many listed securities move in unpredictable directions, which may affect the value of the Fund's portfolio of listed securities. Depending on its exposure to such securities, the net asset value of units issued under this Fund can go up or down depending on various factors and forces affecting the capital markets. Moreover, there is no guarantee that the market price of the Fund's units will fully reflect the underlying asset value of the Fund.
4. **Issuer Risk:** In addition to market and price risk, value of an individual security can, in addition, be subject to factors unique or specific to the issuer, including but not limited to management malfeasance, lack of accounting transparency, management performance, management decision to take 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.
5. **Asset Allocation Risk:** Due to a very thin secondary debt market in Bangladesh, it would be difficult for the Fund Manager to swap between asset classes, if and when required. In addition, limited availability of money market instruments in the market implies that there are only few opportunities for short term or temporary investments for the Fund.
6. **Lack of Diversification Risk:** Due to small numbers of listed securities in both the Stock Exchanges, it may be difficult to invest the Fund's assets in a widely diversified portfolio.
7. **Liquidation Risk:** Market conditions and investment allocation may impact on the ability to sell securities during periods of market volatility. The Fund may not be able to sell securities or instruments at the appropriate price and/or time.

8. **Dividend Risk:** If the companies wherein the Fund will be invested fail to pay expected dividend, it may affect the overall returns of the Fund.
9. **Investment Strategy Risk:** The Fund is subject to management strategy risk because it is an actively managed investment portfolio. The AMC will apply investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these techniques and analyses will produce the desired results.
10. **Socio-Political & Natural Disaster Risk:** Uncertainties resulting from political and social instability may affect the value of the Fund's Assets. In addition, adverse natural climatic condition may hamper the performance of the Fund.

1. PRELIMINARY

1.1. PUBLICATION OF PROSPECTUS FOR PUBLIC OFFERING:

RACE Management PCL has received Registration Certificate from the Securities and Exchange Commission (SEC) under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন আইন, ১৯৯৩, and the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা ২০০১ made thereunder and also received approval for issuing prospectus for public offering. A complete copy of the prospectus of the public offering is available for public inspection at the registered office of the Fund.

1.2. APPROVAL OF THE SECURITIES AND EXCHANGE COMMISSION (SEC):

“APPROVAL OF THE SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THE FUND UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969 AND THE সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা ২০০১. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS APPROVAL THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE FUND, ANY OF ITS SCHEMES OR THE ISSUE PRICE OF ITS UNITS OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ASSET MANAGER, TRUSTEE, SPONSOR AND/OR CUSTODIAN.”

1.3. LISTING OF FUND:

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

“None of the Stock Exchange(s), if for any reason, grants listing within **75 (seventy five) days** from the closure of subscription, any allotment in terms of this prospectus shall be void and the Asset Management Company shall refund the subscription money within fifteen days from the date of refusal for listing by the Stock Exchange(s), or from the date of expiry of the said **75 (seventy five) days**, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, The Asset Management Company, in addition to the Sponsor and Trustee, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate to the subscribers concerned.

The Asset Management Company, in addition to the Sponsor and Trustee shall ensure due compliance of the abovementioned conditions and shall submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money.”

1.4. DOCUMENTS AVAILABLE FOR INSPECTION:

1. Copy of this prospectus will be available at the Members of the Stock Exchanges, Bankers to the Issue and the registered office of the RACE Management PCL and also available at the website of Securities and Exchange Commission (www.secbd.org) and RACE Management PCL (www.racebd.com).
2. Copy of Trust Deed, Investment Management Agreement and the Prospectus will be available for public inspection during business hours at the head office of the Asset Management Company of the Fund during the period **10 (ten) days** from the publication date of this prospectus.

1.5. CONDITIONS OF THE PUBLIC OFFER (PO):

PART-A

- 1) The Fund shall make Public Offer (PO) for 75,000,000 (Seven crore and fifty lac) units of Taka 10/- each at par worth Taka 75.00 (Seventy five) crore only following the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা ২০০১, the Securities and Exchange Commission (Public Issue) Rules, 2006, the ডিসক্লেচার আইন, ১৯৯৯ and regulations issued thereunder.
- 2) The prospectus/abridged version of the prospectus as vetted by SEC, shall be published in two widely circulated national daily newspapers (Bangla and English) within **10 (Ten) days** of receipt of the approval letter. Provided that information relating to publication of prospectus in the form of advertisement be published in two national daily newspapers (Bangla and English).
- 3) Sufficient copies of the prospectus shall be made available by the Asset Management Company so that any person requesting a copy may receive one. A notice shall be placed on the front of the application form distributed in connection with the offering, informing that interested persons are entitled to a prospectus, if they so desire, and that copies of prospectuses may be obtained from the Asset Management Company. The subscription application shall indicate in bold type that no sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until **25 (twenty five) days** after the prospectus has been published.
- 4) The Asset Management Company shall ensure transmission of the prospectus and relevant application forms for NRBs through e-mail, simultaneously of publication of the prospectus, to the Bangladesh Embassies and Missions abroad, as mentioned in the prospectus, and shall also ensure sending of the printed prospectus and application forms to the said Embassies and Missions within **5 (five) working days** of the publication date by express mail service (EMS) of the postal department. A compliance report shall be submitted in this respect to the SEC by the Asset Management Company within **3 (three) working days** from the date of said dispatch of the prospectus and the forms.
- 5) The paper clipping of the published prospectus/abridged version of the prospectus and all other published documents/notices regarding the Fund shall be submitted to the Commission within **24 (twenty four) hours** of publication thereof.
- 6) The Asset Management Company shall submit **40 (forty) copies** of the printed prospectus, along with a diskette/CD prepared in “MS WORD” containing the prospectus and its abridged version, as vetted by SEC, to the Securities and Exchange Commission for official record within **5 (five) working days** from the date of publication of the prospectus in the newspaper.
- 7) The Asset Management Company shall maintain a separate bank account for collecting proceeds of the Public Offering and shall also open FC account(s) to deposit the application money of the Non-Resident Bangladeshi (NRBs) for Public Offer purpose, and shall incorporate full particulars of said FC account(s) in the prospectus. The company shall open the abovementioned accounts for Public Offer purpose; and close these accounts after refund of over-subscription. “**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 Bangladesh Embassy/High Commission to the effect that no visa is required to travel to Bangladesh.**”

- 8) Subscription shall start after **25 (twenty five) days** from the date of publication of the prospectus for both NRBs and resident Bangladeshis. Subscription will remain open for **5 (five) consecutive banking days**.
- 9) Application shall be sent by the NRB applicants directly to the Asset Management Company within the closing date of the subscription so as to reach the same to the Asset Management Company by the closing date plus **9 (nine) days**. Applications received by the Asset Management Company after the above mentioned time period will not be considered for allotment purpose.
- 10) The Asset Management Company shall apply the spot buying rate (IT clean) in US \$, UK Pound Sterling and Euro of Sonali Bank Ltd. as prevailed on the date of opening of the subscription for the purpose of application of the NRBs.
- 11) **A non-resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking “Account Payee only”. Application shall be sent by the NRB applicants to Asset Management Company within the closing date of the subscription so as to reach the same to the company by the closing date plus 9 (Nine) days. Applications received by the company after the above time period will not be considered for allotment purpose.**
- 12) The Asset Management Company shall ensure prompt collection/clearance of the foreign remittances of NRBs for allotment of units without any difficulty/complaint.
- 13) The Asset Management Company shall provide SEC with the preliminary status of the subscription within **5 (five) working days** from closure of the subscription date, and also the list of valid and invalid applicants (i.e. final status of subscription) in 2 (two) CDs to the Commission within **3 (three) weeks** after the closure of the subscription date including bank statement (original) and branch-wise subscription statement. The final list of valid and invalid applicants shall be finalized after examining with the CDBL in respect to BO accounts and particulars thereof. The public offering shall stand **cancelled** and the application money shall be refunded immediately {but not later than **5 (five) weeks** from the date of the subscription closure} if any of the following events occur:
 - a) **Upon closing of the subscription list it is found that the total number of valid applications is less than the minimum requirement as specified in the listing regulations of the Stock Exchange(s) concerned; or**
 - b) **At least 60% (i.e. Tk. 90.00 crore) of the targeted amount (i.e. Tk. 150.00 crore) under বিধি ৪৮ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউসিআল ফাভ) বিধিমালা ২০০৯ is not subscribed.**
- 14) **Public Offer distribution system:**
 - a) **Units of Tk. 7.5 crore (Seven crore and fifty lac)** only of total public offering shall be reserved for non-resident Bangladeshi (NRB) and units of **Tk. 7.5 crore (Seven crore and fifty lac)** only for mutual funds and collective investment schemes registered with the Commission, and the remaining units of **Tk. 60.00 (Sixty) crore** shall be open for subscription by the general public.
 - b) All securities/units stated in para (a) shall be offered for subscription and subsequent allotment by the Asset Management Company subject to any

- restriction which may be imposed from time to time by the Securities and Exchange Commission.
 - c) In case of **over-subscription under any of the 3 (three) categories** mentioned in para (a), the Asset Management Company shall conduct an open lottery of all the applications received under each category **separately** in accordance with the SEC's instructions.
 - d) In case of **under-subscription** under any of the 2 (two) categories [**i.e. units of Tk. 7.5 crore (Seven crore and fifty lac) for NRB and units of Tk. 7.5 crore (Seven crore and fifty lac) for mutual funds**] mentioned in para (a), the unsubscribed portion shall be added to the **general public category [units of Tk. 60.00 (Sixty) crore]** and, if after such addition, there is over subscription in the general public category, the Asset Management Company shall conduct an open lottery of all the applicants added together.
 - e) The lottery as stated in para (c) and (d) shall be conducted in presence of authorized representatives from the SEC, Stock Exchange(s) concerned, Sponsor, Asset Management Company, Trustee and the applicants.
- 15) Upon completion of the period of subscription for securities the Asset Management Company shall provide the Commission and the Stock Exchange(s) with the preliminary status of the subscription within **5 (five) working days**, in respect of the following matters, namely:-
 - (a) Total number of securities for which subscription has been received;
 - (b) Amount received from the subscription; and
 - (c) Amount of commission paid to the Bankers to the issue.
- 16) The Asset Management Company shall issue unit allotment letters to all successful applicants within **5 (five) weeks** from the date of the subscription closing date. Within the same time, refund to the unsuccessful applicants shall be made in the currency in which the value of units was paid for by the applicant's without any interest and refunded to the respective banks for onward deposit of the refund money into the applications banks accounts provided in the respective application form for subscription.

After completion of remittance of the fund to the respective applicant's bank account, the Asset Manager shall disclose the information in the newspapers where the abridged version of the prospectus has been published. In this regard a compliance report shall be submitted to the Commission within **7 (seven) days** from the date of completion of the allotment of units and refund warrants (if applicable).
- 17) The applicant shall provide the same bank account number in the application form as it is in the BO account of the applicant. Otherwise the application will be considered invalid and the subscription money may be forfeited.
- 18) All applicants shall first be treated as applied for one minimum market lot of **500 (five hundred) units worth Tk. 5,000 (five thousand)**. If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. In case of over-subscription under any of the categories mentioned here in above, the issuer and the issue manager shall jointly conduct an open lottery of all the applications received under each category separately in presence of representatives from the SEC,

Stock Exchange(s), Sponsor, Asset Management Company, Trustee and the applicants, if there be any.

- 19) An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case, an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, whole or part of application money may be forfeited by the Commission.
- 20) Lottery (if applicable) will be held within 4 (four) weeks from closure of the subscription date.
- 21) The Asset Management Company shall furnish the List of Allotees to the Commission and the Stock Exchange(s) simultaneously in which the units will be listed, within 24 (twenty four) hours of allotment.
- 22) Unit Certificates for 100% of the Sponsor's contribution amounting to Tk. 30,00,00,000.00 (Thirty crore) shall be subject to a lock-in period for 1 (one) year from the date of listing in the Stock Exchange(s) and 1/10th of the Sponsor's contribution amounting to Tk. 3,00,00,000.00 (Three crore) shall be subject to lock-in period of full time of the fund.
- 23) All Pre-IPO placement will be in 1 (one) year lock-in period from the date of listing of the fund.
- 24) If the Asset Management Company fails to collect the minimum 60% of the targeted amount under বিধি ৪৮ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউসিআল ফান্ড) বিধিমালা ২০০৯, it will refund the subscription money within 5 (five) weeks from the closure of subscription without any deduction. In case of failure, the Asset Management Company shall refund the same with interest @ 18 (eighteen) percent per annum from its own account within the next month.
- 25) In case of oversubscription, the excess amount shall be refunded within 5 (five) weeks from the closure of subscription period, failing which the Asset Management Company will refund the same with an interest @ 18 percent per annum from its own account within the next month.
- 26) The Asset Management Company shall publish a notice through the newspaper to all successful applicants within 5 (five) weeks from the closing of subscription for collection of allotment letters.
- 27) The Asset Management Company shall apply for listing of the Fund with Stock Exchange(s) within 7 (seven) working days of first publication of the prospectus.
- 28) **Declaration about Listing of Fund with the Stock Exchange(s):**

“None of the Stock Exchange(s), if for any reason, grants listing within 75 (seventy five) days from the closure of subscription, any allotment in terms of this prospectus shall be void and the Asset Management Company shall refund the subscription money within fifteen days from the date of refusal for listing by the Stock Exchange(s), or from the date of expiry of the said 75 (seventy five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, The Asset Management Company, in addition to the Sponsor and Trustee, shall be collectively and severally liable for refund of the subscription money with interest @ of 2% (two percent) per month above the bank rate to the subscribers concerned.

The Asset Management Company, in addition to the Sponsor and Trustee shall ensure due compliance of the abovementioned conditions and shall submit compliance report thereon to the Commission within seven days of expiry of the aforesaid 15 (fifteen) days time period allowed for refund of the subscription money.”

- 29) Letter informing allotment shall be issued within 5 (five) weeks from the closure of subscription.
- 30) The Scheme shall maintain escrow bank account for the proceeds of the public offering. The Fund collected through public offering shall not be utilized prior to the allotment and shall be affected through banking channel i.e., through account payee cheque, pay order, bank draft etc.
- 31) The Fund shall not be involved in option trading, short selling or carry forward transactions.
- 32) The annual report or its abridged version of the Scheme shall be published within 45 (forty-five) days of the closure of each accounting year of the Fund.
- 33) An annual report and details of investment and savings of the Scheme shall be submitted to the Commission, Trustee and Custodian of the Scheme within 90 (ninety) days from the closure of the accounts.
- 34) Half-yearly accounts/financial results of the Fund shall be submitted to the Commission and the Stock Exchanges and published in at least one widely circulated Bangla national daily newspaper within 30 (thirty) days from end of the period.
- 35) Dividend shall be paid within 45 (forty five) days of its declaration, and a report shall be submitted to SEC, Trustee and Custodian within 7 (seven) days of dividend distribution.
- 36) Net Asset Value (NAV) of the Fund shall be calculated and disclosed publicly as per the বিধি ৬০ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউসিআল ফান্ড) বিধিমালা ২০০৯.
- 37) SEC may appoint auditors for special audit/investigation on the affairs of the Fund, if it so desires.

PART –B

- 1) The Asset Management Company (i.e. RACE Management PCL) shall ensure that the prospectus/abridged version of the prospectus have been published correctly and in strict conformity without any error/omission, as vetted by the Securities and Exchange Commission.
- 2) The Asset Management Company shall carefully examine and compare the published prospectus /abridged version of the prospectus on the date of publication with the prospectus, as vetted by SEC. If any discrepancy/inconsistency is found, both the Sponsor and the Asset Management Company shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to SEC and the Stock Exchange(s) concerned, correcting the discrepancy/inconsistency as required under 'Declaration' provided with SEC.
- 3) The Sponsor and the Asset Management Company shall, immediately after publication of the prospectus, jointly inform the Commission in writing that the published prospectus/abridged version of the prospectus is a verbatim copy of the prospectus vetted by the Commission.

- 4) The Sponsor and the Asset Management Company shall simultaneously submit to the Commission an attested copy of the application filed with the Stock Exchange(s) for listing of the securities.
- 5) The Fund collected through public offering shall not be utilized prior to allotment and/or issuance of unit, as and when applicable, and that utilization of the said Fund shall be effected through banking channel, i.e. account payee cheque, pay order or bank draft etc.

PART-C

- 1) All the above-imposed conditions shall be incorporated in the prospectus/abridged version immediately after the page of the table of contents where applicable, with a reference in the table of contents, prior to its publication.
- 2) The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the Sponsor, Asset Management Company, Trustee and Custodian.

PART-D

1. As per provision of the ডিজিটাল আইন ১৯৯৯ and regulations made there under, units shall only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of units will be issued in dematerialized form only.
An applicant (including NRB) shall not be able to apply for allotment of units without Beneficiary Owner account (BO account).
2. The Asset Management Company shall also ensure due compliance of all abovementioned conditions.

PART-E

General Information:

- 1) This prospectus has been prepared by RACE Management PCL 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 that there are no other material facts, the omission 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 given or made, any such information or representation must not be relied upon as having been authorized by the RACE Management PCL.
- 3) The issue as contemplated in this document is made in Bangladesh and 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.

1.6. SUBSCRIPTION:

Subscription to the AB BANK 1ST MUTUAL FUND will commence at the opening of banking business on **September 25, 2011** and will be closed at the end of the banking business on **September 29, 2011**.

1.7. DECLARATIONS:

Declarations about the responsibility of the Sponsor

The Sponsor, whose name appears in this Prospectus, accepts full responsibility for the authenticity and accuracy of the information contained in this Prospectus and other documents regarding the Fund. To the best of the knowledge and belief of the Sponsor, who has taken all reasonable care to ensure that all conditions and requirements concerning this public issue and all the information contained in this document, drawn up by virtue of the Trust Deed of the Fund by the entrusted AMC, 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 an informed decision for investment.

Sd/-

Kaiser A. Chowdhury
President & Managing Director
AB Bank Limited

Declaration about the responsibility of the Asset Management Company

This prospectus has been prepared by us based on the Trust Deed, Investment Management Agreement, the Securities and Exchange Commission (Public Issue) Rules, 2006, the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউসিআল ফাউ) বিধিমালা ২০০৬, ডিজিটাল আইন ১৯৯৯, and other related agreement & examination of other documents as relevant for adequate disclosure of the Fund's objectives and investment strategies to the investors. We also confirm that:

- a) This Prospectus is in conformity with the documents, materials and papers related to the offer;
- b) All the legal requirements of the issue have been duly fulfilled; and
- c) The disclosures made are true, fair and adequate for investment decision.

Investors should be aware that the value of investments in the Fund could be volatile and as such no guarantee can be made about the returns from the investments that the Fund will make. Like any other equity investment, only investors who are willing to accept a moderate amount of risk, should invest in the Fund. Investors are requested to pay careful attention to the "Risk Factors" as detailed in Chapter 4 and to take proper cognizance of the risks associated with any investment in the Fund.

Sd/-

Md. Shoriful Islam
Chief Financial Officer
RACE Management PCL

Declaration about the responsibility of the Trustee

We, as Trustee of the AB BANK 1ST MUTUAL FUND, accept the responsibility and confirm that we shall:

- a) Be the guardian of the Fund, held in trust for the benefit of the unit holders in accordance with the Rules & Trust Deed;
- b) Always act in the interest of the unit holders;

- c) Take all reasonable care to ensure that the Fund floated and managed by the Asset Management Company are in accordance with the Trust Deed and the Rules;
- d) Make such disclosure 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;
- e) Take such remedial steps as are necessary to rectify the situation where they have reason to believe that the conduct of business of the Fund is not in conformity with the relevant Rules.

Sd/-

Mr. A. K. A. H Chaudhuri
Managing Director
Bangladesh General Insurance Company Limited

Declaration about the responsibility of the Custodian

We, as Custodian of the AB BANK 1ST MUTUAL FUND accept the responsibility and confirm that we shall:

- a) Keep all the securities in safe custody and shall provide the highest security for the assets of the Fund; and
- b) Preserve necessary documents and record so as to ascertain movement of assets of the Fund as per Rules.

Sd/-

Mr. Khwaja Shahriar
Head of Cash Management, Custodial Services &
Probashi Banking Wholesale Banking Division
BRAC Bank Limited

2. BACKGROUND

2.1. FORMATION OF AB BANK 1ST MUTUAL FUND:

Over the last decade, Bangladesh equity (share) market has experienced rapid growth in size and volume” and has been identified as one of the most promising frontier markets in the globe. Yet the nature and composition of this growth has given rise to serious structural challenges, such as retail heavy investor base, speculation prone investing, and unusually high churn. Such characteristics expose the Bangladeshi share market to excessive volatility, often decoupled from fundamentals. Amongst such volatility, the small retail investor lacking unbiased research and proper risk management is often left “holding the bag” suffering large losses. However, this dynamic is not unique to Bangladesh but symptomatic of most early-stage share markets. Also, there is a proven and time-tested solution.

For over 300 years, almost as long as the history of commercial banks, Mutual Funds have been protecting the interests of small retail investors. Mutual Funds are highly regulated structures that pool investment capital from thousands of retail investors and institutions and the cumulative assets are then invested by professional fund managers, such as RACE Management. It is rare to find examples of capital markets that have evolved from “frontier” to “developed” without the growth and dominance of the mutual fund sector. First, by virtue of being managed by professionals mutual funds invest on the basis of fundamental research and protect such investments from catastrophic loss through proper risk-management. Second, as investment pools, mutual funds tend to be large in size and can act as a counterweight to manipulation in the market by informal syndicates. Third, as highly regulated, transparent entities, mutual funds are “investment institutions” in the most pure form and help institutionalize the capital market.

During the last two years, the Bangladesh mutual fund sector has been re-energized. RACE has successfully structured and launched seven mutual funds during this period, bringing in entirely new classes of sponsors, such as Banks and Insurance companies, and new group of retail investors under the umbrella of these funds. Yet, overall the mutual fund sector in Bangladesh is small and is far from attaining critical mass.

It is against this backdrop that AB Bank Ltd. has stepped into the mutual fund sector. Over the last two decades, AB Bank Ltd. has been at the forefront of financial innovation in the Bangladeshi capital markets. Through its subsidiary AB Investment Ltd., the Bank has been promoting research based portfolio management for retail investors. Now, to further enhance the efficiency and transparency of the country’s capital markets the Bank has decided to sponsor its first mutual fund, **AB BANK 1ST MUTUAL FUND**.

In this endeavor, ABBL has appointed **RACE Management PCL** to be the Fund Manager. RACE Management PCL has already developed a successful track record as a successful Fund Manager in the Bangladeshi Capital Market. The Bank has also appointed **Bangladesh General Insurance Company (BGIC)** as the Trustee and **BRAC Bank Limited** as the Custodian of the Fund.

2.2. FORMATION OF THE PROPOSED MUTUAL FUND IN THE CONTEXT OF PRESENT MARKET SCENARIO:

Since 2006, a number of factors have increased the popularity of stock market investing among Bangladeshi retail investors, including: rising income, low interest rates in traditional

bank savings accounts, large stock investment gains, and increased media coverage. This exponential increase in demand is reflected in the 12x growth in average daily trading volume in the stock market during the last 3 years – from Tk. 200 crores in 2006-07 to its peak level of over Tk. 2,500 crores.

Despite this significant growth in investor participation in the Bangladeshi stock market, and the demand for professionally managed investment vehicles, the domestic mutual fund industry has not responded with adequate supply. With less than 40 individual funds to choose and over Tk. 3,500 crores in funds under management, the mutual fund industry has been slow to respond to current capital market realities and comprises only a small percentage of the total stock market investments. To meet this large unsatisfied demand for mutual fund investments in Bangladesh, AB Bank Limited is floating the **AB BANK 1ST MUTUAL FUND**.

It should also be mentioned that the **AB BANK 1ST MUTUAL FUND** will make its debut against the backdrop of a share market that has suffered a “crash” or large correction versus the peak. While media and conventional wisdom has characterized this period as a “crisis” phase of the share market, professional fund managers view such crisis as an opportunity. It is much more difficult to provide positive returns to investors when a Fund builds its investment portfolio at the peak of the market. While any capital market investment is fraught with risks, and no guarantees can be provided, the **AB BANK 1ST MUTUAL FUND** enters its investment phase at a period that is more amenable to providing long-term healthy returns to its investors.

2.3. ADVANTAGES IN INVESTING IN AB BANK 1ST MUTUAL FUND:

Generally investment in mutual funds enjoys some additional advantages compared to investments made directly in other securities of the capital market. Investors of this mutual fund should be able to enjoy the following advantages.

- 1) The Fund will maintain a diversified portfolio which will lower the investment risk for investors.
- 2) The diversified portfolio will allow investors gain a broad exposure to the overall stock market which may not be possible at the individual level.
- 3) This Fund provides access to extensive local research and investment experience. The Fund Manager, RACE Management PCL has developed deep insight into the dynamics of the local capital markets. RACE’s research department consistently produces insightful research products on the Bangladeshi stock market which have been highly commended by both local stock market participants and foreign investors.
- 4) As the management of the investments in the Fund is outsourced to a professional Asset Management Company, investors will be relieved from any emotional stress associated with day-to-day management of individual investment portfolio. In fact, investment management usually requires a significant amount of time-consuming research and analyses to identify the highest-quality securities which may not be doable for the general investor and is, therefore, best left to professional investment managers.
- 5) The investors will be able to save transaction costs as he/she has access to a large number of securities by purchasing a single unit of AB BANK 1ST MUTUAL FUND.
- 6) Management and operation of Mutual Funds are subject to strict regulations from Bangladesh Bank, SEC and the Trustee. SEC regularly monitors the performance of

such funds. The laws governing mutual funds require exhaustive disclosures to the regulator and general public and, as such mutual funds are one of the most transparent investment vehicles in Bangladesh.

- 7) In Bangladesh, the mutual funds enjoy a 10% (ten percent) reserved quota in all Initial Public Offerings (IPOs). Given the lack of supply of high-quality scripts in the Bangladeshi stock market, IPOs have historically outperformed the general Bangladeshi market index significantly and, therefore, have been a major source of outperformance for the mutual fund industry in Bangladesh.

2.4. THE CONSTITUTION OF THE FUND:

AB BANK 1ST MUTUAL FUND has been constituted through a Trust Deed entered into between AB Bank Limited and Bangladesh General Insurance Company on July 4, 2011 under the Trust Act, 1882 and Registration Act, 1908.

The Fund was registered by the SEC on July 21, 2011 under the *সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউসিআল ফান্ড) বিধিমালা ২০০৯*.

2.5. LIFE OF THE FUND:

The Fund will be a closed-end mutual fund of 10 (Ten) years tenure, established with a view to broaden the base of investment and develop the capital market.

2.6. SIZE, FACE VALUE AND MARKET LOT OF THE FUND:

- Total Fund is fixed at 150,000,000 (Fifteen crore) units of Tk. 10 each totaling Tk. 1,500,000,000 (Taka one hundred and fifty crore).
- The Sponsor's portion of the Fund is 30,000,000 (Three crore) units of Tk. 10 each totaling Tk. 300,000,000 (Taka thirty crore).
- Size of the Pre-IPO Private Placement is 45,000,000 (Four and a half crore) units of Tk. 10 each totaling Tk. 450,000,000 (Taka forty five crore).
- Size of the Initial Public Offering (IPO) is 75,000,000 (Seven crore and fifty lac) units, each worth Tk. 10, totaling Tk. 750,000,000 (Taka seventy five crore) available as public offering to general public, NRBs, Mutual Funds and collective investment schemes.
- The market lot will be constituted of 500 (five hundred) units. In future the fund size will not be changed.

3. INVESTMENT OBJECTIVES AND POLICIES

3.1. INVESTMENT OBJECTIVE:

The objective of AB BANK 1ST MUTUAL FUND is to provide attractive dividends to its unit-holders by earning superior risk adjusted return from a diversified investment portfolio.

3.2. INVESTMENT POLICIES:

Investment Objective	The Fund shall invest subject to the বিধিমালা and only in securities, deposits and investments approved by the Securities and Exchanges Commission and/or the Bangladesh Bank and/or Insurance Regulatory Authority (IRA) of Bangladesh. The Fund may invest in Pre-IPO Private Placements or IPO of debt or equity, with intimation to the Commission.
Investment Exposure & Liquidity	The Fund shall not invest more than 10% of its total assets in any one particular company.
	The Fund shall not invest in more than 15% of any company's total paid-up capital.
	The Fund shall not invest more than 20% in shares, debentures, or other securities of a single company or group.
	The Fund shall not invest more than 25% of its total assets in shares, debentures or other securities in any one industry.
	Not less than 75% of the total assets of the Fund shall be invested in capital market instruments out of which at least 50% shall be invested in listed securities
	Not more than 25% of the total asset of the Fund shall be invested in Fixed Income Securities (FIS)
	Not more than 15% of the total asset of the Fund shall be invested in pre-IPOs at one time
Investment Decision	Only the Asset Management Company will make the investment decisions and place orders for securities to be purchased or sold by the Fund.

3.3. INVESTMENT RESTRICTIONS:

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

- 1) The Fund shall not invest in or lend to another Scheme under the same Asset Management Company.
- 2) 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) 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 সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউচুয়াল ফান্ড) বিধিমালা ২০০১.
- 4) All money collected under the Fund shall be invested only in encashable/transferable

instruments, securities whether in money market or capital market or privately placed pre-IPO equity, preference shares, and debentures or securitised debts.

- 5) The Fund shall not involve in option trading or short selling or carry forward transactions.
- 6) The Fund shall not buy its own unit.

3.4. VALUATION POLICY:

The Fund intends to determine its NAV per unit on the last business day of each week by dividing the value of the net asset of the Fund (the value of total assets less total liabilities as per Rule 60 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউচুয়াল ফান্ড) বিধিমালা ২০০১ by the total number of units outstanding. As per section 58 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউচুয়াল ফান্ড) বিধিমালা ২০০১ valuation policy of investment of the Fund needs to be approved earlier by the Securities and Exchange Commission. Valuation criteria so far approved by the Commission in the Trust Deed are as follows:

- 1) For listed securities, the average quoted market price on the Stock Exchanges on the date of valuation shall form the basis of any calculation of Net Asset Value of such securities in the portfolio of the Fund.
- 2) The Fund shall fix the valuation method for each of the schemes subject to prior approval of the Commission.
- 3) The Fund shall follow the method approved by the Commission for valuation of the non-listed investment, if any, and the Asset Management Company and the Trustee shall periodically review the value of such investment. The auditors shall comment on such investment in the annual reports of the Fund about that.
- 4) The valuation of Listed Securities but not traded within previous one month will be made within reasonable standards by the Asset Management Company and approved by the Trustee and commented upon by the Auditors in the Annual Report of the Mutual Fund but shall not be more than the intrinsic value of the securities.
- 5) For securitized debts, debentures, margin or fixed deposits, the accrued interest on such instruments on the date of valuation shall be taken into account in any calculation of Net Asset Value of such securities in the portfolio of the Fund.

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

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

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

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

L_T = Total liabilities of the Fund as on date

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

3.5. INVESTMENT MANAGEMENT:

RACE Management PCL will have discretionary authority over the Fund's portfolio about investment decision. RACE Management PCL shall conduct the day-to-day management of the Fund's portfolio as the Asset Management Company subject to the provisions laid down in the *সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউইসিএল ফান্ড) বিধিমালা ২০০৯* and Trust Deed or any general directions given by the Trustee and/or by the Commission.

3.6. DIVIDEND POLICY:

- 1) The accounting year of the Fund shall end on June 30 of every calendar year or as determined by the Commission.
- 2) The Fund shall, as soon as may be, after the closing of the annual accounts, distribute by way of dividend to the holders of the units in accordance with the *বিধিমালা*, an amount, which shall not be less than the 70% of the net profits earned during the year, or as determined by the commission from time to time.
- 3) Before declaration of dividend, the Asset Management Company shall make a provision with agreement of the auditors for revaluation of investments caused from loss if market value of investments goes beyond the acquisition cost, and the method of calculation of this provision must be incorporated in the notes of accounts.
- 4) The Fund shall create a dividend equalization reserve by suitable appropriation from the income of the Fund to ensure consistency in dividend.
- 5) The Asset Management Company shall dispatch the dividend warrants at the expense of the Fund, within 30 days of the declaration of the dividend and shall submit a statement within next 7 (seven) days to the Commission, the Trustee and the Custodian.
- 6) Before record of ownership by the CDBL, a transferee shall not possess the right to any dividend declared by the Fund.

4. RISK CONSIDERATIONS

4.1. RISK FACTORS:

Investing in the AB BANK 1ST MUTUAL FUND (hereinafter the Fund) involves certain considerations in addition to the 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 may go down as well as up and there can be no assurance that on redemption, or otherwise, investors will receive the amount originally invested. Accordingly, the Fund is only suitable for investment by investors who understand the risks involved and who are willing and able to withstand the loss of their investments. In particular, prospective investors should consider the following risks:

1. **In General:** There is no assurance that the Fund will meet its investment objective; investors could lose money by investing in the Fund. As with all mutual funds, an investment in the Fund is not insured or guaranteed by the Government of Bangladesh or any other government agency.
2. **Market Price Risk:** Stock prices and Mutual Fund prices generally fluctuate because of the interplay of the various market forces that may affect a single issuer, industry or the market as a whole. The Fund may lose its value or experience a substantial loss on its investments due to such market volatility.
3. **NAV Risk:** Stock market trends show that prices of many listed securities move in unpredictable directions, which may affect the value of the Fund's portfolio of listed securities. Depending on its exposure to such securities, the net asset value of units issued under this Fund can go up or down depending on various factors and forces affecting the capital markets. Moreover, there is no guarantee that the market price of the Fund's units will fully reflect the underlying asset value of the Fund.
4. **Issuer Risk:** In addition to market and price risk, value of an individual security can, in addition, be subject to factors unique or specific to the issuer, including but not limited to management malfeasance, lack of accounting transparency, management performance, management decision to take 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.
5. **Asset Allocation Risk:** Due to a very thin secondary debt market in Bangladesh, it would be difficult for the Fund Manager to swap between asset classes, if and when required. In addition, limited availability of money market instruments in the market implies that there are only few opportunities for short term or temporary investments for the Fund.
6. **Lack of Diversification Risk:** Due to a small number of listed securities in both the Stock Exchanges, it may be difficult to invest the Fund's assets in a widely diversified portfolio.
7. **Liquidation Risk:** Market conditions and investment allocations may impact on the ability to sell securities during periods of market volatility. The Fund may not be able to sell securities or instruments at the appropriate price and/or time.

8. **Dividend Risk:** If the companies wherein the Fund will be invested fail to pay expected dividend, it may affect the overall returns of the Fund.
9. **Investment Strategy Risk:** The Fund is subject to management strategy risk because it is an actively managed investment portfolio. The AMC will apply investment techniques and risk analyses in making investment decisions for the Fund, but there is no guarantee that these techniques and analyses will produce the desired results.
10. **Socio-Political & Natural Disaster Risk:** Uncertainties resulting from political and social instability may affect the value of the Fund's Assets. In addition, adverse natural climatic condition may hamper the performance of the Fund.

4.2. EXPECTED MARKET PERFORMANCE OF THE FUND:

- 1) Brand name of AB Bank Limited, RACE Management PCL's track record in the successful management of several mutual funds in the past may motivate investors to invest in this Fund.
- 2) World class investment management team of RACE Management PCL as a second-generation Asset Management Company (AMC) would attract investors to invest in this Fund.

4.3. WHO SHOULD INVEST AND HOW MUCH TO INVEST:

- 1) Individuals who do not have tolerance of bearing risk and know nothing about the functioning of the capital market need not apply for the units of the Fund.
- 2) Individuals who are looking for long-term capital growth and consistent dividend payments and are comfortable with the risks associated with equity investments should consider investing in the Fund.
- 3) An individual should also consider investing in the Fund if he/she can accept some variability of returns, has a moderate tolerance for risk and is planning to invest in the Fund over the medium to long-term.
- 4) Considering other factors such as investment opportunities available in the market, return expectations, income levels and consumption patterns, one may put only a portion of his/her total portfolio into the Fund.

5. FORMATION, MANAGEMENT AND ADMINISTRATION

5.1. SPONSOR OF THE FUND:

With a vision to become the trendsetter for innovative banking with excellence and perfection in Bangladesh, AB Bank Ltd. (ABBL) began its journey in 1982. Over the years ABBL has established itself as a leading private commercial bank in the country with strong leadership in Corporate Banking and a strong Consumer and SME growth engines. ABBL offers a wide range of depository, loan and card products to cater to virtually to every customer segment. These customers are served through a network of 82 branches and 50 ATM's countrywide. ABBL has presence in most major cities/towns in the country including Dhaka, Chittagong, Sylhet, Khulna, Rajshahi and Cox's Bazar and have one foreign branch in Mumbai, India and a wholly owned Subsidiary Finance company in Hong Kong.

ABBL is known for its product innovation in the market. During the past five years, ABBL have launched a vast array of financial products to suit the needs of its clients, the most innovative amongst them are education loans for executives and personal loans. On the SME banking window ABBL have 54% of their loan portfolio in SME with financing in different projects such as Agro machinery, Poultry and Plastic Products. . At present, ABBL Consumer, SME and Corporate Banking units are capable of handling every kind of customer financial needs.

ABBL also has a strong capital market presence. AB Bank 1st Mutual Fund will invest in the capital market using an experienced and excellent investment management process and professionals. Furthermore, the launching of AB Bank 1st Mutual Fund reflects ABBL's strong belief that the development of a research-driven mutual fund industry will bring in more efficiency and transparency into the country's capital markets.

5.2. TRUSTEE OF THE FUND:

Bangladesh General Insurance Company Ltd (BGIC), incorporated on 29 July 1985, is the first general insurance company in Bangladesh in the private sector. The company offers a full range of general insurance services for fire, marine, motor and miscellaneous risks with 25 branches across the country. BGIC has a proven track record of being "Trustee" for existing mutual fund and Zero Coupon Bonds. Its dynamic team of dedicated professionals with superior underwriting and trustee skill can boost growth of the company. The company has authorized capital of Tk. 1,000 million and paid up capital of Tk. 459.0 million and is listed on both Dhaka Stock Exchange and Chittagong Stock Exchange.

5.3. CUSTODIAN OF THE FUND:

BRAC Bank Limited (BBL), operating in Bangladesh since 2001, is the one of the largest commercial banks of the country with 81 branches, 22 SME Service Centers, 46 SME/Krishi branches and 400+ SME Unit Office. BBL provides custodial services to foreign and local investors since 2010. BBL is the fastest growing custodian bank of the country having dedicated custodial services department.

5.4. ASSET MANAGER OF THE FUND:

RACE Management PCL (hereinafter RACE) will act as the Asset Manager of the Fund. RACE has successfully established itself as the most successful asset management company in Bangladesh within a very short period of time since being awarded the Asset Management license in September 2008. RACE Management's achievements include among others, the successful launch of the first-ever commercial bank sponsored mutual fund, EBL First Mutual Fund, the successful launch of the first state-owned bank sponsored mutual fund, First Janata Bank Mutual Fund, and the successful launch of the first-ever corporate sponsored mutual fund, PHP First Mutual Fund.

The RACE Team: With about 40 professionals and more than Tk 1,300 crores of funds under management, RACE is now the largest private Asset Management Company in Bangladesh. The RACE team includes (1) Senior Bangladeshi investment professionals with world-class training and over a decade of experience in investment management and research in some of the world's most developed capital markets; (2) Senior Bangladeshi professionals from the local banking and financial services industry with strong operational experience and an extensive contact base among the local business community; (3) a cadre of young professionals who have gained unique insights into the local capital markets through the application of sophisticated investment techniques and on-the-ground research.

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

RACE Approach to Fund Management: Highly Process-Driven Investment Approach

A flexible yet disciplined investment process is the hallmark of a professional investment management fund. Incorporating the intellectual capital and collective experience of the RACE's senior investment professionals, RACE has developed a 7-step investment process:

Step 1: Universe Selection: The first step of the investment process begins with identifying the universe of stocks. These stocks are then classified in four categories based on RACE's proprietary selection methodology.

Step 2: Focus List: The universe of stock is then narrowed down to build a prospective focus list. This step is usually done in phases. The first phase involves narrowing down the list through RACE's proprietary filtering process. The second phase involves narrowing the list further through the fundamental research inputs.

Step 3: "Top Down" Analysis: This step involves analysis of macroeconomic trends, analysis on broad market indices, analysis of fund flow trend to formulate sector biases and sector allocations.

Step 4: "Bottoms Up" Company Analysis: This step involves a combination of individual security analysis based on multiple parameters, including valuation, qualitative analysis to identify business trends, competitive outlook and corporate management. These analyses are supplemented by company visits and information exchange with management.

Step 5: Portfolio Construction: The next step is to create an optimum portfolio with the goal of maximizing returns and minimizing risk.

Step 6: Risk Management: This step applies the pre-determined position limits to the portfolio, limiting sector exposure and individual stock exposure. Maintaining lower volatility is also an important concern; to this end, beta adjustment and other sophisticated risk analysis is used.

Step 7: Trade Execution: RACE uses a combination of quantitative strategies and market information to maximize its trade executions. To this end, RACE has selected a panel of brokers to execute its trades in an efficient and confidential manner.

5.5. AUDITORS:

The Trustee has appointed S F Ahmed & Co. Chartered Accountants as the Auditor of the Fund for the first year. It is one of the reputed and oldest audit firms of the country and is associated with world-renowned Ernst & Young, based in New York.

The Trustee will continue to appoint the Fund Auditor throughout the tenure of the Fund.

5.6. LIMITATION OF EXPENSES:

- 1) The initial issue expenses in respect of the Fund shall not exceed 5% of the Fund to be raised, the details of which are provided in this Prospectus.
- 2) The total expenses charged to the Fund except the amortization of initial issue expenses including transactions cost in the form of stock brokerage against buy and sell of securities forming a part of acquisition or disposal cost of such securities, transaction fees payable to the Custodian against acquisition or disposal of securities, CDBL Charges, listing fees payable to the stock exchanges, the annual registration fees payable to the Commission, audit fees, cost for publication of reports and periodicals, bank charge, etc., shall not exceed 4% of the weekly average net assets outstanding during any accounting year or as may be determined by the Rules.

5.7. FEES AND EXPENSES:

The Fund will pay the fees of the Asset Management Company, the Trustee and the Custodian together with any other fees, commissions and expenses as may arise from time to time. The Fund will bear its own costs and expenses incurred/accrued in connection with its formation, promotion, registration, public offering, listing together with certain other costs and expenses incurred in its operation, including without limitation, expenses of legal and consulting services, auditing, other professional fees and expenses, brokerage, share/debenture registration expenses, guarantee or underwriting commission and fees due to the SEC. The Fund will also bear all other incidental expenses including printing, publication and stationery relating to its smooth and fair operation.

Keeping in mind, the fund size of Taka 150.00 (one hundred and fifty) crore, RACE has estimated the normal annual operating expenses of the Fund, which will not exceed 4% of the average NAV of the Fund. However, there may be variation in the actual operating expenses of the Fund. Major expenses of the Fund are detailed as follows:

- 1) **Issue and Formation Expenses:** Issue and formation expenses are estimated to be not over 5% of the total Fund size. The expenses will be amortized within 10 (Ten) years on a straight-line method. The estimated expenses for the issue and formation of the Fund are presented below:

1. Bankers to the issue fee/Collection Charge	: 0.60 percent
2. Formation Fee Payable to AMC	: 1.00 percent
3. Printing & Publication	: 0.60 percent
4. Legal Expenses (Listing Fees, Registration Fees, etc.)	: 1.00 percent
5. Other expenses	: 1.50 percent
Total	: 4.70 percent

- 2) **Management Fee:** As per Trust Deed, the Asset Management Company shall be paid annual management fee as per following Rate-
- i) @ 2.50% per annum of the weekly average Net Asset Value (NAV) of the Fund up to Tk. 50,000,000 (Taka five crores).
- ii) @ 2.00% per annum for additional amount of the weekly average NAV of the fund over Tk 50,000,000 (Taka five crores) up to Tk. 250,000,000 (Taka twenty-five crores).
- iii) @ 1.50% per annum for additional amount of the weekly average NAV of the fund over Tk 250,000,000 (Taka Twenty five crores) up to Tk. 500,000,000 (Taka fifty crores).
- iv) @ 1.00% per annum for additional amount of the weekly average NAV of the Fund over Tk. 500,000,000 (Taka fifty crores).
- The above accrued fees shall be paid semi-annually by the Fund.
- 3) **Trustee Fee:** The Fund shall pay an annual trusteeship fee of 0.10% of the Net Asset Value (NAV) of the Fund payable on a semi-annual in advance basis during the life of the Fund.
- 4) **Custodian Fee:** The Fund shall pay to the Custodian a safe keeping fee @ 0.07% of balance (dematerialized and non-dematerialized) securities held by the fund calculated on the basis of average month end value per annum.
- 5) **CDBL Fee:** For listing with the Central Depository of Bangladesh Limited (CDBL) there are both initial and recurring expenses. An amount of Tk. 500,000 (Taka five lac) as security deposit shall be kept with the CDBL without interest during the whole life of the Fund, while an IPO fee of Tk. 500,000 (Taka five lac) will be paid during the public subscription. Depository connection fee is Tk. 6,000 (Taka six thousand) per annum. Annual fee on Face Value of Issued Eligible Security is Tk. 100,000 (Taka one lac). Documentation Fee is Tk. 2,500 (Taka twenty-five hundred).

- 6) **Fund Registration and Annual Fee:** The Fund has paid Tk. 3,000,000 (Thirty lac, 0.20%) to the Securities and Exchange Commission (SEC) as registration fee. In addition to that the Fund will have to pay Tk. 1,500,000.00 (Fifteen lac) (at the rate of Tk. 0.10% of the fund size) only per annum as annual fee in terms of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউইসিএল) বিধিমালা ২০০১.
- 7) **Listing Fee:** The usual listing fees to DSE, CSE and CDBL, annual renewal fees and other charges are to be paid by the Fund to the stock exchanges.
- 8) **Audit Fee:** The audit fee will be Tk. 45,000.00 (forty five thousand) only for the first year and Trustee will fix fees for subsequent years.

6. CAPITAL STRUCTURE, TAX STATUS AND RIGHTS OF UNIT HOLDERS

6.1. ISSUE OF UNITS:

The paid-up capital of the Fund shall be Tk. 1,500,000,000.00 (one hundred and fifty crore) divided into 150,000,000 units of Tk. 10.00 each. The total distribution of units shall be as follows:

Subscribers	No of units	Face Value (Tk.)	Amount (Tk.)	Remarks
Sponsor*	30,000,000	10.00	300,000,000	Subscribed
Pre-IPO Placement**	45,000,000	10.00	450,000,000	Subscribed
Resident Bangladeshis	60,000,000	10.00	600,000,000	Yet to be subscribed
Non-Resident Bangladeshis (NRBs)	7,500,000	10.00	75,000,000	Yet to be subscribed
Reserved for Mutual Funds	7,500,000	10.00	75,000,000	Yet to be subscribed
Total	150,000,000	10.00	1,500,000,000	

* 100% of the Sponsor's contribution amounting to Tk. 30 (thirty) crores is subject to a lock-in for 1 (one) year from the date of listing in the Stock Exchange(s). 10% of the Sponsor's contribution amounting to Tk. 3 crore (three crore) will be locked-in for the subsequent 9 years.

** All Pre-IPO Placement Investments are subject to a 1-year lock-in effective from date of listing of AB BANK 1ST MUTUAL FUND units on the Stock Exchanges.

6.2. PRE-IPO PLACEMENT:

- 1) Subscription from sponsor:

AB Bank Limited, the Sponsor, has already subscribed Tk. 300,000,000.00 for 30,000,000 units of Tk. 10.00 each at par as per Rule 9 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউইসিএল) বিধিমালা ২০০১.

AB BANK 1ST MUTUAL FUND

Instructions

1. As per provision of ডিগজিটালি আইন ১৯৯৯ and Regulations made there under Mutual Fund units will only be issued in dematerialized condition. Please mention your Depository (BO) account number on the application form. If you do not mention your valid Depository (BO) account number, your application will be treated invalid.
2. All information must be typed or written in full (in block letters) in English or in Bengali and must NOT be abbreviated.
3. Application must be made on the Fund's printed form/photocopy or typed copy/hand written form thereof.
4. Application must not be for less than **500** units and must be for a multiple of **500** units. Any application not meeting this criterion will not be considered for allotment purpose.
5. Remittance for the full amount of units must accompany each application and must be forwarded to any of the Bankers to the Issue. Remittance should be in the form of cash/cheque/bank draft/pay order payable to one of the Bankers to the Issue A/C "AB BANK 1ST MUTUAL FUND" and crossed "A/C PAYEE ONLY" and must be drawn on a bank in the same town as the bank to which the application form has been sent.
6. In the case of a Joint Application Form, the Allotment Letter will be dispatched to the person whose name appears first on this Application Form and where any amount is refundable in whole or in part the same will be refunded by Account Payee cheque by post/courier service to the person named first on this Application Form in the manner prescribed in the prospectus.
7. Joint Application form for more than two persons will not be accepted. In case of joint application, each party must sign the Application Form.
8. Application must be in full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Application from financial and market intermediary companies and Private Company must be accompanied by Memorandum and Articles of Association and Certificate of Incorporation.
9. **An applicant can NOT submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant**

makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, whole or part of application money may be forfeited by the Commission.

10. No receipt will be issued for the payment made with the Application, but the bankers will issue a provisional acknowledgement to the issue for application lodged with them.
11. In the case of non-allotment of units, the application money of unsuccessful applicant shall be refunded to the respective banks for onward deposit of the refund money into the applicant's bank accounts as provided in the respective application form of subscription. The applicant must mention the bank account in the application form the same bank account number as available in the database of Beneficiary Owners Account in Central Depository for the purpose of refund of application money.
12. Allotment shall be made solely in accordance with the instructions of the SEC.
13. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the Application liable to rejection and subject to forfeiture of Application money and/or forfeiture of the unit before or after issuance of the same by the Asset Management Company. The said forfeited Application money or unit will be deposited in account specified by the SEC. This may be in addition to any other penalties as may be provided for by law.
14. Applications, which do not meet the above requirements, or Applications, which are incomplete, shall NOT be considered for allotment purpose.
15. The bankers to the issue shall be obliged to receive the A/C payee cheque(s) on the closing day of the subscription of the PUBLIC OFFER.
16. **No sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until 25 (twenty five) days after the prospectus has been published.**

BANKERS TO THE ISSUE

<p>Investment Corporation of Bangladesh (ICB)</p> <ol style="list-style-type: none"> Head Office, NSC, Dhaka Chittagong Branch, Agrabad, Chittagong Rajshahi Branch, Shaheb Bazar, Rajshahi Khulna Branch, Shilpa Bank Dhan, Khulna Barisal Branch, Hemayet Uddin Road, Barisal Sylhet Branch Chamber Building, Jail Road, Sylhet Bogra Branch, Afzar Ali Complex, Raja Bazar Bogra, Bogra Local Office, Naya Paltan, Dhaka <p>Bank Asia Limited</p> <ol style="list-style-type: none"> Principal Office Branch, Dhaka MCB Dikusha Branch, Dhaka Corporate Branch, Dhaka Scotia Branch, Dhaka Gulshan Branch, Dhaka MCB Banani Branch, Dhaka Utara Branch, Dhaka Mirford Branch, Dhaka North South Rd. Branch, Dhaka Dhanmondi Branch, Dhaka Bashundhara Branch, Dhaka Sylhet Main Branch, Sylhet Sylhet Uposhohar Branch, Sylhet 14. Agrabad Branch, Chittagong 15. Khatungonj Branch, Chittagong 16. MCB Sk. Mujib Road Branch, Chittagong 17. Bahaddarhat Branch, Chittagong 18. Moghbazar Branch, Dhaka 19. CDA Avenue Branch, Chittagong 20. Station Road Branch, Chittagong 21. Rajshahi Branch, Rajshahi 22. Khulna Branch, Khulna 23. Mohakhali Branch, Dhaka 24. Mirpur Branch, Dhaka 25. Bogra Branch, Bogra 26. Jessore Branch, Jessore 27. Anderkilla Branch, Chittagong 28. Shantinagar Branch, Dhaka 29. (RWG), Dhaka 30. Kamal Bazar Br., Chittagong 31. Iswardi Br., Pabna 32. Paltan Branch, Dhaka <p>Dutch-Bangla Bank Limited</p> <ol style="list-style-type: none"> Bubait Branch, Narsingdi Narayanganj Branch, Narayanganj B.B. Road Branch, Narayanganj Patherhat Branch, Chittagong Hathazari Branch, Chittagong Dana Branch, Dhaka Mymensingh Branch, Khulna Sylhet Branch, Sylhet Dhaka EPZ Branch, Dhaka Board Bazar Branch, Gazipur Netaganj Branch, Narayanganj Bogra Branch, Bogra Barisal Branch, Barisal Sinnal Branch, Narayanganj CDA Avenue Branch, Chittagong Joypara Branch, Dhaka Biswanath Branch, Sylhet Mouvi Bazar Branch, Mouvi Bazar Mirpur Branch, Chittagong Golapuri Branch, Sylhet Rajshahi Branch, Rajshahi Savar Bazar Branch, Dhaka Gazipur Chowrasta Branch, Gazipur Feni Branch, Feni Comilla Branch, Comilla Jubilee Road Branch, Chittagong Kadamati Branch, Chittagong Mirzapur Branch, Tangal Cox's Bazar Branch, Cox's Bazar <ol style="list-style-type: none"> Lohagara Branch, Chittagong Manikgonj Branch, Manikgonj Faukhari Branch, Chittagong Konabari Branch, Gazipur Choumahani Branch, Feni Sonagazi Branch, Feni Gola Bazar Branch, Sylhet Khatungonj Branch, Chittagong Mymensingh Branch, Mymensingh Shahadpur Branch, Sirajgonj Beani Bazar Branch, Sylhet Chhatk Branch, Sunamganj Bandura Branch, Dhaka Saidpur Branch, Nilphamary Rangpur Branch, Rangpur Jessore Branch, Jessore Halkhata Branch, Chittagong Basudhat Branch (Rural), Noakhali Sremangal Branch, Mouvi Bazar Kushia Branch, Kushtia Pabna Branch, Pabna <p>One Bank Limited</p> <ol style="list-style-type: none"> Principal Branch, Dhaka Motijheel Branch, Dhaka Kawran Bazar Branch, Dhaka Gulshan Branch, Dhaka Mirpur Branch, Dhaka Utara Branch, Dhaka Dhanmondi Branch, Dhaka Banani Branch, Dhaka Kakeri Branch, Dhaka Pragati Sarani Branch, Dhaka Elephant Road Branch, Dhaka Bandura Branch, Dhaka Jatrabari Branch, Dhaka Navabgonj Branch, Dhaka Bangsal Road Branch, Dhaka Ganakbari (EPZ) Branch, Dhaka Imamgonj Branch, Dhaka Narayanganj Branch, Narayanganj Joypara Branch, Dhaka Agrabad Branch, Chittagong 	<ol style="list-style-type: none"> Narsingdi Branch, Narsingdi Local Office, NSC, Dhaka Dinapur Branch, Dinapur Bhairabi Branch, Kishoregonj Dagonbhuiyan Branch, Feni Gobindaganj Branch, Gaibandha Bhula Branch, Narayanganj Narayanganj BSCIC Branch, Narayanganj Tongi Branch, Gazipur Satkhiria Branch, Satkhira Madaripur Branch, Madaripur Munshiganj Branch, Munshiganj Habgang Branch, Habgang Chittagong EPZ Branch, Chittagong Fardipur Branch, Fardipur Shahajal Uposhohor Branch, Sylhet Tangal Branch, Tangal <p>Eastern Bank Limited</p> <ol style="list-style-type: none"> Principal Branch, Dikusha Dhaka Motijheel Branch, Dhaka Mirpur Branch, Dhaka Bashundhara Branch, Dhaka Shyamoli Branch, Dhaka Narayanganj Branch, Narayanganj Jessore Branch, Jessore Choumahani Branch, Noakhali Agrabad Branch, Chittagong Khatungonj Branch, Chittagong Bogra Branch, Bogra Khulna Branch, Khulna Rajshahi Branch, Rajshahi Savar Branch, Dhaka Mouvi Bazar Branch, Mouvi Bazar <p>Trust Bank Limited</p> <ol style="list-style-type: none"> Principal Branch, Dhaka Dikusha Corp. Branch, Dhaka Kafila Branch, Dhaka Radisson Water Garden Hotel Branch (RWG), Dhaka Mirpur Branch, Dhaka Karwan Bazar Br. Dhaka Utara Corporate Branch, Dhaka Narayanganj Branch, Narayanganj Elephant Road Branch, Dhaka Dhanmondi Branch, Dhaka Narsingdi Branch, Narsingdi Tongi Branch, Gazipur Joydepur Branch, Gazipur Ashulia Branch, Dhaka Momenshahi Cantonment Branch, Mymensingh Savar Cantonment Branch, Dhaka S.S.Cantt. Branch, Tangal Halishahar Branch, Chittagong Kadamoli Branch, Chittagong Comilla Cantonment Branch, Comilla Feni Branch, Feni Chowmahani Branch, Noakhali Comilla Branch, Comilla Ashugonj Branch, Brahmanbaria Khulna Branch, Khulna Jalalab Cant Br., Sylhet Rangpur Cantonment Branch, Rangpur Bogra Cantonment Branch, Bogra Khwaja Younus Ali Medical College & Hospital Branch, Sirajgonj Jessore Cantonment Branch, Jessore Shahajal Uposhohor Branch, Sylhet Rajshahi Branch, Rajshahi Barisal Branch, Barisal Joypara Branch, Dhaka <p>The City Bank Limited</p> <ol style="list-style-type: none"> B.B Avenue Br., Dhaka Dhaka Chamber Br., Dhaka Dhanmondi Br., Dhaka Shaymoli Br., Dhaka Imamgonj Br., Dhaka Johnson Road Br., Dhaka Karwan Bazar Br., Dhaka New Market Br., Dhaka VIP Road Br., Dhaka Islampur Br., Dhaka Navabgonj Br., Dhaka Navabpur Br., Dhaka Pragati Sarani Br., Dhaka Bangabandhu Road Branch., Narayanganj Zinzira Br., Dhaka Tongi Br., Gazipur Agrabad Br., Chittagong Jubilee Road Br., Chittagong Khatungonj Br., Chittagong Anderkilla Br., Chittagong Cox's Bazar Br., Chittagong Chawkbazar Br., Chittagong Pahartoli Br., Chittagong Comilla Br., Comilla Narsingdi Br., Narsingdi 25. Zinzira Bazar Br., Sylhet 26. Bandar Bazar Br., Sylhet 27. Amorbkhana Br., Sylhet 28. Mouvi Bazar Br., Sylhet 29. Rajshahi Br., Rajshahi 30. Bogra Br., Bogra 31. Rangpur Br., Rangpur 32. Sirajgonj Br., Sirajgonj 33. Khulna Br., Khulna 34. Jessore Br., Jessore 35. Barisal Br., Barisal <p>IFIC Bank Limited</p> <ol style="list-style-type: none"> Federation Branch, Dhaka Dhanmondi Branch, Dhaka Mohakhali Branch, Dhaka Banani Branch, Dhaka Shantinagar Branch, Dhaka Elephant Road Branch, Dhaka Islampur Branch, Dhaka Kawran Bazar Branch, Dhaka Naya Paltan Branch, Dhaka Utara Branch, Dhaka Malibagh Branch, Dhaka Pallabi Branch, Dhaka Lalmatia Branch, Dhaka Narsingdi Branch, Narsingdi North Brook Hill Road Branch, Dhaka Narayanganj Branch, Narayanganj Fardipur Branch, Fardipur Mymensingh Branch, Mymensingh Stock Exchange Branch, Dhaka 	<ol style="list-style-type: none"> Pragati Sarani Branch, Dhaka Mirpur Branch, Dhaka Agrabad Branch, Chittagong CDA Avenue Branch, Chittagong Madam Bibi Hat Branch, Chittagong Cox's Bazar Branch, Cox's Bazar Sheikh Mujib Road Branch, Chittagong Comilla Branch, Comilla Brahmanbaria Branch, Brahmanbaria Choumahani Branch, Noakhali Feni Branch, Feni Alanker More Branch, Chittagong Rajshahi Branch, Rajshahi Rangpur Branch, Rangpur Bogra Branch, Bogra Pabna Branch, Pabna Dinapur Branch, Dinapur Khulna Branch, Khulna Boro Bazar Branch, Khulna Jessore Branch, Jessore Kushia Branch, Kushtia Barisal Branch, Barisal Zinzira Branch, Dhaka Mouvi Bazar Branch, Mouvi Bazar Uposhohor Branch, Sylhet Tultikar Branch, Sylhet. <p>BRAC Bank Limited</p> <ol style="list-style-type: none"> Asad Gate Branch, Dhaka Bashundhara Branch, Dhaka Donia Branch, Dhaka Esaton Branch, Dhaka Graphics Building Branch, Dhaka Manda Branch, Dhaka Mirpur Branch, Dhaka Narayanganj Branch, Narayanganj Nawalpur Branch, Dhaka Rampura Branch, Dhaka Shyamoli Branch, Dhaka Utara Branch, Dhaka Agrabad Branch, Chittagong CDA Avenue Branch, Chittagong Bashundhara Branch, Chittagong Kaziduri Branch, Chittagong Momin Road Branch, Chittagong Bogra Branch, Bogra Rajshahi Branch, Rajshahi Jessore Branch, Jessore Khulna Branch, Khulna Barisal Branch, Barisal Zindabazar Branch, Sylhet <p>Southeast Bank Limited</p> <ol style="list-style-type: none"> Principal Branch, Dhaka Opposite Branch, Dhaka Mouchak Branch, Dhaka Dhanmondi Branch, Dhaka Utara Branch, Dhaka New Elephant Road Branch, Dhaka Rokeya Sarani Branch, Dhaka Kakrill Branch, Dhaka Banani Branch, Dhaka Bangshal Branch, Dhaka Shaymoli Branch, Dhaka Bashundhara Branch, Dhaka Pahartoli Branch, Chittagong Choubhatta Branch, Sylhet Ladlighipur Branch, Sylhet Rajshahi Branch, Rajshahi CDA Avenue Branch, Chittagong Jubilee Road Branch, Chittagong Choumahani Branch, Noakhali Barisal Branch, Barisal <p>First Security Islami Bank</p> <ol style="list-style-type: none"> Azampur Branch, Dhaka Banani Branch, Dhaka Bangshal Branch, Dhaka Bonoshree Branch, Dhaka Biswa Road Branch, Dhaka Dhanmondi Branch, Dhaka Dikusha Branch, Dhaka Donia Branch, Dhaka Gulshan Branch, Dhaka Islampur Branch, Dhaka Mirpur Branch, Dhaka Mohakhali Branch, Dhaka Motijheel Branch, Dhaka Ring Road Branch, Dhaka Savar Branch, Dhaka Sena Nibashi Branch, Dhaka Topkhana Road Branch, Dhaka Collage Gate Branch, Gazipur Agrabad Branch, Chittagong Andar killah Branch, Chittagong Bohadarhat Branch, Chittagong Hat Hajari Branch, Chittagong Jubilee Road Branch, Chittagong 	<ol style="list-style-type: none"> Khatungonj Branch, Chittagong Patia Branch, Chittagong Probortak Mor Branch, Chittagong Chokoria Branch, Cox's Bazar Cox's Bazar Branch, Cox's Bazar Comilla Branch, Comilla Rangpur Branch, Rangpur Bogra Branch, Bogra Rajshahi Branch, Rajshahi Amorbkhana Branch, Sylhet Sylhet Branch, Sylhet Talola Branch, Sylhet Jessore Branch, Jessore Khulna Branch, Khulna Moulvibazar Branch, Moulvibazar Patuakhali Branch, Patuakhali Satkhiria Branch, Satkhira Gobindogonj Branch, Sunamgonj Mymensingh Branch, Mymensingh Barisal Branch, Barisal Fardipur Branch, Fardipur Chawkbazar Branch, Chittagong Zirabo Branch, Dhaka Utara Branch, Dhaka <p>National Bank Limited</p> <ol style="list-style-type: none"> Agrabad Br. Chittagong Anderkilla Br. Chittagong Banani Branch, Dhaka Dhanmondi Branch, Dhaka Mirpur Branch, Dhaka Elephant Road Branch, Dhaka Foreign Ex. Branch, Dhaka Gulshan Branch, Dhaka Imamganj Branch, Dhaka Islampur Branch, Dhaka Jatrabari Branch, Dhaka Kawran Bazar Branch, Dhaka Lake Circus Branch, Dhaka Malibagh Branch, Dhaka Khatungonj Br. Chittagong Narayanganj Branch, Narayanganj Rokeya Sarani Branch, Dhaka Mohakhali Branch, Dhaka Mohammadpur Branch, Dhaka Motijheel Branch, Dhaka Dikusha Branch, Dhaka New Eskaton Branch, Dhaka North Brook Hill Road Branch, Dhaka Pragati Sarani Branch, Dhaka Savar Bazar Branch, Savar, Dhaka Utara Branch, Dhaka Z H Sikder M. C. Branch, Dhaka Bangsal Road Branch, Dhaka Babubazar Branch, Dhaka Chawk Bazar Branch, Chittagong Rifles Square Branch, Dhaka <p>The Premier Bank Ltd.</p> <ol style="list-style-type: none"> Dikusha Branch, Dhaka Gulshan Branch, Dhaka Banani Branch, Dhaka Imamgonj Branch, Dhaka Karwan Bazar Branch, Dhaka Motijheel Branch, Dhaka Dhanmondi Branch, Dhaka Utara Branch, Dhaka Khatungonj Branch, Chittagong Elephant Road Branch, Dhaka DEPZ Branch, Dhaka Barisal Branch, Barisal Narayanganj Branch, Narayanganj Zinzira Branch, Dhaka Islami Banking Branch, Mohakhali, Dhaka Kakrill Branch, Dhaka Rokeya Sarani Branch, Dhaka Kalabagan Branch, Dhaka Rampura Branch, Dhaka Nawalpur Branch, Dhaka Agrabad Branch, Chittagong Meghna Ghat Branch, Narayanganj Pahartoli Branch, Chittagong Khulna Branch, Khulna Islami Banking Branch, Sylhet O.R Nizam Road Branch, CDA Avenue, Chittagong Tongi Branch, Gazipur Mouvi Bazar Branch, Mouvi Bazar <p>AB Bank Limited</p> <ol style="list-style-type: none"> Motijheel Branch, Dhaka New Elephant Road Branch, Dhaka Dhanmondi Branch, Dhaka Islampur Branch, Dhaka Kawran Bazar Branch, Dhaka Progoti Sharani Branch, Dhaka Rokeya Sarani Branch, Dhaka Mirpur Branch, Dhaka
--	--	--	---

authorized representatives of the SEC, Stock Exchange(s) concerned, Sponsor, Asset Management Company, Trustee and the applicants.

8. Money receipt of clearance of draft or cheque, as the case may be, shall be sent by post to the applicant by the Asset Management Company.
9. Joint application by two persons will be acceptable. In such a case, allotment or refund shall be made by post to the first applicant.
10. Application must be made by an individual, a corporation or company, a trust or a society and not by a firm, minor or persons of unsound mind.
11. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the Application liable to rejection and subject to forfeiture of Application money.
12. The intending NRB applicants shall deposit unit money by US\$/UK Pound sterling/Euro draft drawn on and payable in Dhaka, Bangladesh, or through a nominee by paying out of foreign currency deposit account or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, so that the Asset Management Company collecting bank can clear the proceeds and deposit the same into Asset Management Company's bank account in time.
13. Spot buying rate (TT Clean) in US Dollar, UK Pound Sterling and Euro of Sonali Bank Ltd. as prevalent on the date of opening of subscription will be applicable for the Non-Resident Bangladeshi (NRB) applicants.
14. **The applicant shall furnish photocopies of relevant pages of valid passport(s) in support of his being a NRB, dual citizenship or of the foreign passport bearing an endorsement from the concerned Bangladeshi Embassy to the effect that no visa is required for him to travel to Bangladesh.**
15. In case of joint NRB application, joint applicant shall also submit supporting papers/documents in support of their being an NRB as mentioned in para-14 above.
16. In the case of non-allotment of units, the application money of unsuccessful applicant shall be refunded to the respective banks for onward deposit of the refund money into the applicant's bank accounts as provided in the respective application form of subscription. The applicant must mention the bank account in the application form the same bank account number as available in the database of Beneficiary Owners Account in Central Depository for the purpose of refund of application money.
17. **An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, whole or part of application money may be forfeited by the Commission.**
18. No sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until 25 (twenty five) days after the prospectus has been published.

THE NRB APPLICATION ALONG WITH THE FOREIGN CURRENCY DRAFT/ PAY ORDER, AS ABOVE, IS TO BE SUBMITTED TO THE ASSET MANAGEMENT COMPANY'S HEAD OFFICE DIRECTLY WITHIN THE STIPULATED TIME MENTIONED IN PARA- 5.