

PROSPECTUS

# NCCBL MUTUAL FUND-1



Sponsored By



NCC  
BANK

**NCC Bank Ltd.**

Where Credit and Commerce Integrates

ASSET MANAGER

**LR GLOBAL**

BANGLADESH ASSET MANAGEMENT COMPANY LTD.

**LOGAN ROCKEFELLER**

THE ONLY ASSET MANAGEMENT COMPANY IN BANGLADESH  
WITH OVER FOURTEEN YEARS OF GLOBAL TRACK RECORD DEDICATED  
TO SERVE THE INVESTORS LOCALLY.

PROSPECTUS  
FOR  
NCCBL MUTUAL FUND-1

**SIZE OF THE FUND:** Tk.100,00,00,000 divided into 10,00,00,000 units at par value of Tk. 10 each

**SPONSOR'S CONTRIBUTION:** 1,50,00,000 units of Tk. 10 each at par for Tk. 15,00,00,000

**PRE-IPO PLACEMENT:** 3,50,00,000 units of Tk. 10 each at par for Tk. 35,00,00,000

**PUBLIC OFFER:** 5,00,00,000 units of Tk. 10 each at par for Tk. 50,00,00,000

**RESERVED FOR MUTUAL FUNDS:** 75,00,000 units of Tk. 10 each at par for Tk. 7,50,00,000

**NON-RESIDENT BANGLADESHIS:** 50,00,000 units of Tk. 10 each at par for Tk. 5,00,00,000

**RESIDENT BANGLADESHIS:** 3,75,00,000 units of Tk. 10 each at par for Tk. 37,50,00,000

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. INVESTING IN THE NCCBL MUTUAL FUND-1 (HEREINAFTER THE FUND) BEARS CERTAIN RISKS THAT INVESTORS SHOULD CAREFULLY CONSIDER BEFORE INVESTING IN THE FUND. INVESTMENT IN THE CAPITAL MARKET AND IN THE FUND BEARS CERTAIN RISKS THAT ARE NORMALLY ASSOCIATED WITH MAKING INVESTMENTS IN SECURITIES INCLUDING LOSS OF PRINCIPAL AMOUNT INVESTED. THERE CAN BE NO ASSURANCE THAT THE FUND WILL ACHIEVE ITS INVESTMENT OBJECTIVES. THE FUND VALUE CAN BE VOLATILE AND NO ASSURANCE CAN BE GIVEN THAT INVESTORS WILL RECEIVE THE AMOUNT ORIGINALLY INVESTED. WHEN INVESTING IN THE FUND, INVESTORS SHOULD CAREFULLY CONSIDER THE RISK FACTORS OUTLINED IN THE DOCUMENT.

**THE SPONSOR, AMC OR THE FUND IS NOT GUARANTEEING ANY RETURNS**

THE PARTICULARS OF THE FUND HAVE BEEN PREPARED IN ACCORDANCE WITH সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউইআরসি) বিধিমালা, ২০০১ 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:**

NATIONAL CREDIT AND COMMERCE BANK LIMITED (NCCBL)

**TRUSTEE:**

BANGLADESH GENERAL INSURANCE COMPANY LIMITED (BGIC)

**CUSTODIAN:**

STANDARD CHARTERED BANK (SCB)

**ASSET MANAGEMENT COMPANY (AMC):**

LR GLOBAL BANGLADESH ASSET MANAGEMENT COMPANY LIMITED

**SUBSCRIPTION**

SUBSCRIPTION OPENS : March 25, 2012

SUBSCRIPTION CLOSES: April 01, 2012

FOR NON-RESIDENT BANGLADESHIS

SUBSCRIPTION CLOSES ON: April 10, 2012

DATE OF PUBLICATION OF PROSPECTUS : February 19, 2012

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**FUND DIRECTORY**

<b>Sponsor</b>	National Credit and Commerce Bank Limited 7-8 Motijheel Commercial Area Dhaka-1000	<b>Asset Management Company</b>	LR Global Bangladesh Asset Management Company Limited I-K Tower (4th Floor) Plot # 2, Block # CEN(A) Gulshan North Avenue Gulshan-2, Dhaka 1212
<b>Trustee</b>	Bangladesh General Insurance Company Limited 42, Dilkusha Commercial Area Dhaka-1000	<b>Custodian</b>	Standard Chartered Bank SCB House 67, Gulshan Avenue Gulshan, Dhaka-1212
<b>Auditor</b>	Hoda Vasi Chowdhury & Co. Chartered Accountants BTMC Bhaban (8th Level) 7-9 Karwan Bazar, Dhaka-1215	<b>Banker</b>	National Credit and Commerce Bank Limited 7-8, Motijheel C/A Dhaka-1000
<b>Investors Service</b>	LR Global Bangladesh Asset Management Company Limited Investor Relations Office Navana Tower ( 9th Floor) Plot-45, Gulshan Avenue Gulshan-1, Dhaka-1212		

**ABBREVIATIONS AND DEFINITIONS**

<b>Term</b>	<b>Definition</b>
বিধিমালা / Rules	: সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউক্সএল ব্যাংক) বিধিমালা, ২০০১
Act	: Securities and Exchange Commission Act 1993
Allotment	: Letter of Allotment for Units
AMC	: The Asset Management Company (AMC) refers to "LR Global Bangladesh Asset Management Company Limited" registered with the Registrar of Joint Stock Companies and Firms
BGIC	: Bangladesh General Insurance Company Limited
BO A/C	: Beneficiary Owner's Account or Depository Account
CDBL	: Central Depository Bangladesh Limited
Certificate	: Unit Certificate of the Fund
Commission	: Securities and Exchange Commission
Cheque (MICR code)	: All payment instruments (Cheque/Pay Order/Other Cash Instrument) should be Magnetic Ink Character Recognition (MICR) coded as per the Bangladesh Bank Rules
Companies Act	: Companies Act 1994 (Act number 18)
CSE	: Chittagong Stock Exchange
DSE	: Dhaka Stock Exchange
EPS	: Earnings Per Share
FC Account	: Foreign Currency Account
Issue	: Public Issue
NAV	: Net Asset Value of the Fund
NBFI	: Non-Banking Financial Institutions
Net Assets	: The excess of Assets over liabilities of the fund, computed in the manner specified hereunder
NRB	: Non-Resident Bangladeshis 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
Offering Price	: Price of the Securities of the Fund being offered
RJSC	: Registrar of Joint Stock Companies and Firms
SEC	: Securities and Exchange Commission
Securities	: Units of the Fund
Sponsor	: Sponsor of the Fund i.e., National Credit and Commerce Bank Ltd. incorporated under the relevant Acts of Bangladesh
Subscription	: Application Money
Unit	: One undivided share of the Fund

**FUND HIGHLIGHTS**

<b>1. Name</b>	: NCCBL Mutual Fund-1
<b>2. Size of the Fund</b>	: Tk. 100,00,00,000 divided into 10,00,00,000 units at par value of Tk. 10.00 each.
<b>3. Face Value &amp; Market Lot</b>	: Tk. 10.00 per unit, 500 units per lot.
<b>4. Nature</b>	: Closed-end mutual fund of 10 (ten) years tenure.
<b>5. Objective</b>	: The objective of the Fund is to provide attractive risk adjusted returns to the unit holders by investing the proceeds in the Capital Market and Money Market.
<b>6. Target Group</b>	: Individuals, Institutions, Non-Resident Bangladeshis (NRB), Mutual Funds and Collective Investment Schemes are eligible to apply for investment in the Fund.
<b>7. Dividend</b>	: Minimum 70% realized income of the Fund will be distributed as dividend in Bangladeshi Taka only at the end of each accounting year. The Fund may create a dividend equalization reserve.
<b>8. Time of Distribution</b>	: The dividend will be distributed within 30 days from the date of declaration.
<b>9. Transferability</b>	: Units are transferable. The transfer will be made by the CDBL under electronic settlement process.
<b>10. Encashment</b>	: The Fund will be listed with DSE and CSE. So investment in this Fund will be easily encashable.
<b>11. Tax Benefit</b>	: Income will be tax free up to a certain level, which is permitted as per the Finance Act. Investment in the Fund would qualify for tax exemption under section 44(2) of the Income Tax Ordinance 1984.
<b>12. Report &amp; Accounts</b>	: Yearly and half yearly statement of the Accounts and other reports will be available at the website ( <a href="http://www.lrglobalbd.com">www.lrglobalbd.com</a> ) of the Asset Management Company Limited.



#### RISK FACTORS

*Investing in the NCCBL Mutual Fund-1 (hereinafter the Fund) bears certain risks that investors should carefully consider before investing in the Fund. Investment in the capital market and in the Fund bears certain risks that are normally associated with making investments in securities including loss of principal amounts invested. There can be no assurance that the Fund will achieve its investment objectives. The Fund value can be volatile and no assurance can be given that investors will receive the amount originally invested. When investing in the Fund, investors should carefully consider the risk factors outlined below, which are not necessarily exhaustive or mutually exclusive:*

- 1. General:** There is no assurance that the Fund will be able to meet its investment objective and investors could potentially incur losses, including loss of principal when investing in the Fund. Investment in the Fund is not guaranteed by any government agency, the Sponsor or the AMC. Mutual funds and securities investments are subject to market risks and there can be no assurance or guarantee that the Fund's objectives will be achieved. As with any investment in securities, the Net Asset Value of the Fund may go up or down depending on the various factors and forces affecting the capital markets. Past performance of the Sponsors and their affiliates and the AMC do not indicate the future performance of the Fund. Investors should study this Offer Document carefully in its entirety before investing.
- 2. External Risk:** 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.
- 3. Market Risk:** The Bangladesh capital market is highly volatile and mutual fund prices and prices of securities can fluctuate significantly. The Fund may lose its value or incur a sizable loss on its investments due to such market volatility. Stock market trends indicate that prices of majority of all the listed securities move in unpredictable direction which may affect the value of the Fund. Furthermore, there is no guarantee that the market prices of the units of the Fund will fully reflect their underlying Net Asset Values.
- 4. Concentration Risk:** Due to a limited number of listed securities in both the DSE and CSE, it may be difficult to invest the Fund's assets in a widely diversified portfolio as and when required to do so. Due to a very thin secondary 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.
- 5. Dividend Risk:** Despite careful investment selection of companies in the Fund, if the companies fail to provide the expected dividend or fail to disburse the dividends declared in a timely manner, this will impact the income of the Fund and the overall return of the Fund.
- 6. Underlying Liquidity Risk:** For investing in Pre-Public Offer Placement securities i.e. in 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 that are 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.
- 7. Investment Strategy Risk:** Since the Fund will be an actively managed investment 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.
- 8. Credit Risk:** Since the Fund will seek to also 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 are 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.
- 9. Interest Rate Risk:** The Net Asset Value (NAV) of the Fund, to the extent invested in Debt and Money Market securities, will be affected by changes in the general level of interest rates. The NAV of the Fund is expected to increase from a fall in interest rates while it would be adversely affected by an increase in the level of interest rates. In addition, zero coupon securities do not provide periodic interest payments to the holder of the security; these securities are more sensitive to changes in interest rates. Therefore, the interest rate risk of zero coupon securities is higher. The AMC may choose to invest in zero coupon securities that offer attractive yields. This may increase the risk of the portfolio.
- 10. Issuer Risk:** In addition to market and price risk, value of an individual security can, in addition, be subject to factors unique or specific to the issuer, including but not limited to management malfeasance, lack of accounting transparency, management performance 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



## 1. PRELIMINARY

### 1.1 PUBLICATION OF PROSPECTUS FOR PUBLIC OFFERING

LR Global Bangladesh Asset Management Company Limited 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 there under on November 15, 2010 and also received approval for issuing prospectus of the public offering on February 12, 2012 and 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 OF PRICE OF ITS UNITS OR 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 valid 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 15 (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 15 (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 7 (seven) days of expiry of the aforesaid 15 (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 with the Members of the Stock Exchanges, website and at the registered office of LR Global Bangladesh Asset Management Company Limited ([www.lrglobalbd.com](http://www.lrglobalbd.com)) and also at the website of Securities and Exchange Commission ([www.secbd.org](http://www.secbd.org)).

2. Copy of Trust Deed and Investment Management Agreement will be available for public inspection during business hours at the head office of the Asset Management Company of the Fund. The Trust Deed and Investment Management Agreement may also be viewed on the website of the LR Global Bangladesh Asset Management Company Limited ([www.lrglobalbd.com](http://www.lrglobalbd.com)).

## 1.5 CONDITIONS OF THE PUBLIC OFFER (PO)

### PART- A

1. The Fund shall go for Public Offer (PO) for 5,00,00,000 (five crore) units of Taka 10 (taka ten) each at par worth Taka 50,00,00,000 (taka fifty crore) only following the সিকিউরিটিজ ও একচেঞ্জ কমিশন (সিইসসিআর) বিধিমালা, ২০০১, the Securities and Exchange Commission (Public Issue) Rules, 2006, the সিকিউরিটিজ আইন ১৯৯৯ and regulations issued there under.
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 Prospectus 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 any 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 Mission 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 & 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/Compact Disk (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(s) for collecting proceeds of the Public Offering and shall also open FC account(s) to deposit the application money of the Non-Resident Bangladeshis (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 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 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 abovementioned time period will not be considered for allotment purpose.
10. The Asset Management Company shall apply the spot buying rate (TT clean) in US Dollar, 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" or Telegraphic Transfer through Banking Channel. Applications shall be sent by the NRB applicants to the 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 electronic

form in 2 (two) CDs to the Commission within 3 (three) weeks after the closure of the subscription date including bank statement (original), 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 no 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.60.00 crore) of the targeted amount (i.e. Tk. 100.00 crore) under বিধি 8b of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিইসিআর) বিধিমালা, ২০০১ is not subscribed.

**14. Public Offer distribution system:**

- a) Units of Tk. 5,00,00,000 (taka five crore) only of total public offering shall be reserved for Non-Resident Bangladeshi (NRB), Tk. 7,50,00,000 (taka seven crore and fifty lac) only for mutual funds and Collective Investment Schemes registered with the Commission and the remaining units of Tk. 37,50,00,000 (taka thirty seven crore and fifty lac) only shall be opened 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. 5,00,00,000 (taka five crore) only for NRB and units of Tk. 7,50,00,000 (taka seven crore and fifty lac) only for Mutual Funds] mentioned in para (a), the unsubscribed portion shall be added to the General Public category [units of Tk. 37,50,00,000 (taka thirty seven crore and fifty lac) only] and if after such addition, there is oversubscription 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 the presence of authorized representatives of 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 issuer and the Asset Manager shall jointly 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 banker 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 applicant's bank accounts provided in 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 Beneficiary Owners account of the applicant. Otherwise the application will be considered invalid and the subscription money may be forfeited.
18. All the applicants shall first be treated as applied for one minimum market lot of 500 (five hundred) units worth TK. 5,000 (taka five thousand) only. If, on this basis, there is oversubscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of application money. In case of oversubscription under any of the categories mentioned hereinabove, the issuer and the Asset Manager shall jointly conduct an open lottery of all the applications received under each category separately in presence of representatives from the SEC, the Stock Exchange(s), Sponsor, Trustee, Asset Manager 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 Allottees 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. 15,00,00,000 (taka fifteen crore) only shall be subject to a lock-in period of 1 (one) year from the date of listing in the Stock Exchange(s) and 1/10th of the Sponsor's contribution amounting to Tk. 1,50,00,000 (taka one crore and fifty lac) only shall be subject to a lock-in period of full time of the Fund.**
23. All Pre-IPO placement will be **6 (six) months** 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 (সিইউইআলসি) বিধিমালা, ২০০৩**, 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 an interest @ 18% 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% 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 15 (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 15 (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 an interest @ 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 above mentioned conditions and shall submit compliance report thereon to the Commission within 7 (seven) days of expiry of the aforesaid 15 (fifteen) days time period allowed for the refund of the subscription money".
29. **Letter informing allotment shall be issued within 5 (five) weeks from the closure of subscription.**
30. The Fund 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 effected through banking channel i.e., through account payee cheque, pay order, bank draft or telegraphic transfer 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 Fund shall be published within **45 (forty five) days** of the closure of each accounting year of the Fund.
33. The Annual Report and details of investment and savings of the Fund shall be submitted to the Commission, Trustee and Custodian of the Fund within **90 (ninety) days** from the closure of the accounts.
34. Half-yearly accounts/financial results of the Fund shall be submitted to the Commission and the Stock Exchange(s) 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 **30 (thirty) 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 (সিইউইআলসি) বিধিমালা, ২০০৩**.
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. LR Global Bangladesh Asset Management Company Limited) shall ensure that the Prospectus/abridged version of the Prospectus is 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 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 bank draft or telegraphic transfer 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 *ভিগজিটিবি আইন, ১৯৯৯* and regulations made hereunder, units shall only be issued in dematerialized condition. All transfer/transmission/splitting will take place in 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 above mentioned conditions.

**PART - E**

**General Information:**

1. This Prospectus has been prepared by LR Global Bangladesh Asset Management Company Limited (hereinafter the AMC or LR Global Bangladesh Asset Management Company Limited) based on the Trust Deed executed between the Trustee and the Sponsor of the Fund, which is approved by the Commission and available publicly. The information contained herein is true and correct in all material aspects and 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 LR Global Bangladesh Asset Management Company Limited.
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 NCCBL Mutual Fund-1 will remain open for 5 (five) consecutive banking days which will commence at the opening of banking business on March 25, 2012 and will be closed at the end of the banking business on April 01, 2012.



## 1.7 DECLARATIONS

### Declarations about the responsibility of the Sponsor

The Sponsor, whose name appears in this Prospectus, accept 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/-  
(Mohammed Nurul Amin)  
Managing Director & CEO  
National Credit and Commerce Bank Ltd.

### 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 (বিউচায়াল সাক্ষ) বিধিমালা, ২০০৬, ডিশক্লিউজি আইন, ১৯৯৯ and other documents as relevant for adequate disclosure of the Fund's objectives and investment strategies to the investors. We also confirm that:

- This Prospectus is in conformity with the documents, materials and papers related to the offer;
- All the legal requirements of the issue have been duly fulfilled; and
- 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/-  
(Reaz Islam)  
Chief Executive Officer  
LR Global Bangladesh Asset Management Company Limited



**Declaration about the responsibility of the Trustee**

We, as Trustee of the **NCCBL Mutual Fund-1**, 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; and
- e) Take such remedial steps as are necessary to rectify the situation where we have reason to believe that the conduct of business of the Fund is not in conformity with the relevant Rules.

Sd/-  
(A.K.A.H. Chaudhuri)  
Managing Director & CEO  
Bangladesh General Insurance Company Limited

**Declaration about the responsibility of the Custodian**

We, as Custodian of the **NCCBL Mutual Fund-1** 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/-  
(Arunangshu Dutta)  
Head, Securities Services, Bangladesh  
Standard Chartered Bank

## **2. BACKGROUND**

### **2.1 FORMATION OF NCCBL MUTUAL FUND-1**

A typical mutual fund is an investment fund that pools money from unit holders and invests in a diversified portfolio of securities. The mutual fund industry has a long history tracing as far back as the early 1800's with its humble beginnings generally considered to be in Europe. Today, mutual funds are widely considered to offer investors attractive risk adjusted returns by pooling assets for various investment purposes. The mutual fund industry came into wide public prominence in the mid 1980's and during the 1990's technology boom with fund managers when the likes of Michael Price and Peter Lynch, were considered the new investment gurus with their impressive mutual fund returns. Since then the industry has gone through peaks and troughs but have largely managed to flourish and grow both in the developing market and developed markets of the world. The mutual fund industry in Bangladesh is at its early or nascent stages, offering room for greater growth and product innovation. Investing in a mutual fund especially for retail investors should be an attractive proposition mainly due to:

- **Professional Management** - mutual funds are actively managed by qualified investment professionals with an objective to limit downside risk and improve the upside potential with active management.
- **Diversification Benefit** - mutual funds are generally diversified pooled investment which is expected to reduce the risk per adjusted return for the small and retail investors.
- **Efficiency and Economies of Scale** - mutual funds by pooling together a large portfolio can negotiate competitive commissions and fees, which results in lower costs to the investors.
- **Transparency** - mutual funds are highly regulated investment vehicles and operate under strict rules and regulations by the Securities and Exchange Commission.

National Credit and Commerce Bank Ltd. (NCCBL), one of the most innovative banks in Bangladesh, has decided to sponsor and launch a mutual fund. The Board of Directors and senior management of National Credit and Commerce Bank Ltd. strongly believe sponsoring a mutual fund is an efficient and effective means of expanding its capital market investment alternatives that will result in an attractive and stable profit source for NCCBL and lead to greater development of the capital markets in Bangladesh.

To further this initiative, LR Global Bangladesh Asset Management Company will be the Asset Manager for NCCBL Mutual Fund-1, with Bangladesh General Insurance Company (BGIC) as the Trustee of the Fund and Standard Chartered Bank (SCB) as the Custodian of the Fund.

### **2.2 RATIONALE FOR LAUNCHING PROPOSED MUTUAL FUND UNDER CURRENT CAPITAL MARKET CONDITIONS**

The year 2011 has so far been much volatile for the capital market of Bangladesh. The prime index, the Dhaka Stock Exchange Index (DSI) lost around 40.4% from January till November of 2011. The average daily turnover from January to November 2011 has been BDT 700 crore compared to BDT 1600 crore in the same period in 2010, which represents a year on year growth of -56%. The high volatility experienced lately marks the importance of increasing institutional investment participation in this market. As the Bangladesh capital markets continue to evolve, the mutual fund industry offers significant growth potential. By most measures the current listed, closed-end mutual funds in the market, which number approximately 37 in total, represent a very small percentage of the total domestic market capitalization; thus there exists greater scope for market growth in the mutual fund sector. As a number of mutual funds are currently in the process to come to the 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 rumor-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 market. Furthermore, the SEC and other market regulators and industry veterans view responsible expansion of the mutual fund industry as a key driver for further development of the capital market in Bangladesh. With the above framework in mind, National Credit and Commerce Bank Limited, a leading bank in Bangladesh has joined forces with LR Global Bangladesh to launch this mutual fund.

### **2.3 PERFORMANCE OF LR GLOBAL MANAGED FUNDS**

Mutual Funds managed by LR Global have shown consistent performance since their listing on the DSE and the CSE. The five listed mutual funds managed by LR Global had net asset value of Tk. 737 crore as of 30th November, 2011. The funds compositely yielded annualized return close to 9.7% since inception, February 2010 to November 2011, where as the broader market index, DSI, yielded annualized return close to 0.3% in the same period. This outperformance came with significantly lower volatility. The overall superior performance of LR Global managed funds can be attributed to the fund manager's tested investment process, market research skills and strategic asset allocation technique.

## 2.4 ADVANTAGES OF INVESTING IN NCCBL MUTUAL FUND-1

Generally investment in mutual funds provides certain incremental advantages when compared to investment made directly in individual securities in the capital market. Highlighted below are some of the advantages that investors may benefit from when investing in a mutual fund:

1. Mutual funds generally lower investment risk for small and retail investors through diversification into multiple sectors, companies, securities, and via investing in various asset classes. The fund manager will attempt to maximize return for a given level of risk and always conduct a balance in his risk-return tradeoff.
2. Mutual funds through its diversified pool of investments will provide small investors access to returns of the wider market, which will not be very costly for retail investors to achieve.
3. Greater participation of mutual funds will add to enhanced liquidity to the overall market and, since most mutual funds are long term investment vehicles, this will create price stability and better price discovery and reduce short term volatility in market.
4. The Fund's performance will benefit from the LR Global Bangladesh (AMC) proprietary investment process and research tools for both fundamental and technical analysis; AMC has a highly skilled in-house research team who are experienced investment professionals dedicated to analyzing in depth the Bangladesh stock market, its scripts and the impact of the broader macro factors that impact the markets.
5. As the Fund will be professionally managed, investors will be relieved from the emotional stress associated with day-to-day management of individual investment portfolio.
6. The investors will be able to save significantly in transaction costs as he/she will have access to a large number of securities by purchasing a single unit of the mutual fund.
7. Income will be tax free up to a certain level, as permitted under the Finance Act.
8. Investment in the Fund would qualify for tax under section 44(2) of the Income Tax Ordinance 1984.
9. Management and operations of mutual funds are subject to strict regulations from the SEC 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.
10. In Bangladesh, mutual funds enjoy a 15% (fifteen percent) reserved quota for all Initial Public Offerings (IPOs). IPOs in Bangladesh have historically performed very well relative to the market index and have positively contributed to mutual fund performance.

## 2.5 THE CONSTITUTION OF THE FUND

NCCBL Mutual Fund-1 has been constituted through a Trust Deed entered into between National Credit and Commerce Bank Ltd. and Bangladesh General Insurance Company Limited on 3rd November, 2010 under the Trust Act, 1882 and Registration Act, 1908. The Fund was registered by the SEC on 15th November, 2010 under the *সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিটিকোর্প) আইন, ২০০১*.

## 2.6 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.

## 2.7 SIZE, FACE VALUE AND MARKET LOT OF THE FUND

- Total Fund fixed at 10,00,00,000 (ten crore) units of Tk. 10 each in totaling Tk. 100,00,00,000 (taka one hundred crore)
- The Sponsor's portion of the Fund is 1,50,00,000 (one crore and fifty lac) units of Tk. 10 each in totaling Tk. 15,00,00,000 (taka fifteen crore)
- Size of the Pre-IPO Private Placement is 3,50,00,000 (three crore and fifty lac) units of Tk. 10 each in totaling Tk. 35,00,00,000 (taka thirty five crore)
- Size of the Initial Public Offering (IPO) is 5,00,00,000 (five crore) units of Tk. 10 each in totaling Tk. 50,00,00,000 (taka fifty crore) available as public offering to NRIs, mutual funds and collective investment schemes.
- The market lot will be constituted of 500 (five hundred) units.

### 3. INVESTMENT OBJECTIVES AND POLICIES

#### 3.1 INVESTMENT OBJECTIVE

The objective of NCCBL Mutual Fund-1 is to earn superior risk adjusted return by maintaining a diversified investment portfolio and provide attractive dividend payments to the unit-holders.

#### 3.2 INVESTMENT POLICIES

<b>Investment Objective</b>	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.
<b>Investment Exposure &amp; Liquidity</b>	Any Scheme of the Mutual Fund shall not invest more than 10% of its total assets in any one particular company. All the Scheme of the Mutual Fund shall not invest in more than 15% of any company's total paid-up capital. All the Scheme of the Mutual Fund shall not invest more than 20% in shares, debentures, or other securities of a single company or group. All the Scheme of the Mutual 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.
<b>Investment Decision</b>	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 (নিউজার্সাল ফাউন্ড) বিধিমালা, ২০০১.
- 4) All money collected under the Fund except for the part of fixed income and hedging instruments 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 securities debts.
- 5) The Fund shall not involve itself in option trading or short selling or carry forward transaction.
- 6) The Fund shall not buy its own unit.
- 7) The Fund shall not take any loan.

#### 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 ৬০ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (নিউজার্সাল ফাউন্ড) বিধিমালা, ২০০১), by the total number of units outstanding. As per Rule ৫৮ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (নিউজার্সাল ফাউন্ড) বিধিমালা, ২০০১, the valuation policy of investment of the Fund need to be approved by the Commission in the Trust Deed as follows:

- 1) For listed securities, the average quoted closing 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.
- 4) When the securities were not traded in the Stock Exchanges on the particular valuing date, immediate previous average price, which one is nearer, but no longer than 30 (thirty) days to the valuing date will be taken into account.

- 5) The valuation of Listed Securities 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.
- 6) 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 such securities in the portfolio of the Fund.

Following the valuation criteria as set forth above, the Fund will use 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

LR Global Bangladesh Asset Management Company Limited will have discretionary authority over the Fund's portfolio about investment decision. LR Global Bangladesh Asset Management Company Limited shall conduct the day-to-day management of the Fund's portfolio as the Asset Management Company subject to the provisions laid down in the *সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউএফসি) বিধিমালা, ২০০১* 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 31st December of every calendar year or as determined by the Commission. If the accounting year closes in less than 3 (three) months from the listing date then this period will be added with the next accounting year and will be treated as first accounting year.
- 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 70% of the realized income during the year, or as determined by the Commission from time to time.
- 3) Before declaration of dividend, the Asset Management Company shall make provision with agreement of the auditors for revaluation of investments caused from loss if market value of investments goes below the acquisition cost, and the method of calculation of this provision must be incorporated in the notes of accounts.
- 4) The Fund may create a dividend equalization reserve.
- 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 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 NCCBL Mutual Fund-1 (hereinafter the Fund) bears certain risks that investors should carefully consider before investing in the Fund. Investments in the capital market and in the Fund bears certain risks that are normally associated with making investments in securities including loss of principal amount invested. There can be no assurance that the Fund will achieve its investment objectives. The Fund value can be volatile and no assurance can be given that investors will receive the amount originally invested. When investing in the Fund, investors should carefully consider the risk factors outlined below, which are not necessarily exhaustive or mutually exclusive:*

- General :** There is no assurance that the Fund will be able to meet its investment objective and investors could potentially incur losses, including loss of principal when investing in the Fund. Investment in the Fund is not guaranteed by any government agency, the Sponsor or the AMC. Mutual funds and securities investments are subject to market risks and there can be no assurance or guarantee that the Fund's objectives will be achieved. As with any investment in securities, the Net Asset Value of the Fund may go up or down depending on the various factors and forces affecting the capital markets. Past performance of the Sponsors and their affiliates and the AMC do not indicate the future performance of the Fund. Investors should study this Offer Document carefully in its entirety before investing.
- External Risk:** 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:** The Bangladesh capital market is highly volatile and mutual fund prices and prices of securities can fluctuate significantly. The Fund may lose its value or incur a sizable loss on its investments due to such market volatility. Stock market trends indicate that prices of majority of all the listed securities move in unpredictable direction which may affect the value of the Fund. Furthermore, there is no guarantee that the market prices of the units of the Fund will fully reflect their underlying Net Asset Values.
- Concentration Risk:** Due to a limited number of listed securities in both the DSE and CSE, it may be difficult to invest the Fund's assets in a widely diversified portfolio as and when required to do so. Due to a very thin secondary 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 the dividends declared in a timely manner, this will impact the income of the Fund and the overall return of the Fund.
- Underlying Liquidity Risk:** For investing in Pre-Public Offer Placement securities i.e. in 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 that are 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 investment 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 also 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 are 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, to the extent invested in Debt and Money Market securities, will be affected by changes in the general level of interest rates. The NAV of the Fund is expected to increase from a fall in interest rates while it would be adversely affected by an increase in the level of interest rates. In addition, zero coupon securities do not provide periodic interest payments to the holder of the security; these securities are more sensitive to changes in interest rates. Therefore, the interest rate risk of zero coupon securities is higher. The AMC may choose to invest in zero coupon securities that offer attractive yields. This may increase the risk of the portfolio.



10. **Issuer Risk:** In addition to market and price risk, value of an individual security can, in addition, be subject to factors unique or specific to the issuer, including but not limited to management malfeasance, lack of accounting transparency, management performance 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**

**4.2 EXPECTED MARKET PERFORMANCE OF THE FUND**

- 1) Mutual fund industry is still at its infancy in Bangladesh and represents less than 2% of market capitalization and currently a significant demand for the product exists. Therefore it is possible that demand for the NCCBL Mutual Fund-1 units will be substantially over the supply of units.
- 2) Brand name of National Credit and Commerce Bank Ltd. as a Sponsor, Bangladesh General Insurance Company Limited as a Trustee and Standard Chartered Bank as a Custodian, and their respective track record in the past may motivate investors to invest in this Fund.
- 3) LR Global Bangladesh Asset Management Company Limited, the most experienced and highly qualified investment management team in Bangladesh as a new-generation Asset Management Company (AMC) would attract investors to invest in this Fund.

**4.3 WHO TO 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 dividend payment and are comfortable with the risk 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 variability of returns, have a moderate to high tolerance for risk and is planning to invest in the Fund over the medium to long-term.
- 4) Considering other factors like the investment opportunities available in the market, return expectation, income level and consumption pattern, one may put only a limited portion of his/her total portfolio into the Fund.

## 5. FORMATION, MANAGEMENT AND ADMINISTRATION

### 5.1 SPONSOR OF THE FUND

**National Credit and Commerce Bank Ltd.** started its journey in 1985 as an investment company. The aim of the company was to mobilize resources and invest them in such way so as to develop the country's Industrial and Trade Sector and play the role of a catalyst in the growth of the capital market. The company operated with 16 branches till 1992 and thereafter converted into a full-fledged private commercial bank in 1993. The bank has an extended branch network of 85 online branches. Since its inception NCC Bank Ltd. has acquired commendable reputation by providing sincere personalized services to its customers in a technology based environment. The Bank has set up a new standard in financing in the Industrial, Trade and Foreign exchange business. Its various deposit and credit products have earned the trust of a wide base of clients, both corporate and individuals. NCC Bank runs a successful brokerage business which is conducted by a subsidiary named "NCCBL Securities & Financial Services Ltd."

### 5.2 TRUSTEE & CUSTODIAN 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. 500 million and paid up capital of Tk. 459.41 million and is listed on both Dhaka Stock Exchange and Chittagong Stock Exchange.

**Standard Chartered Bank (SCB)**, operating in Bangladesh since 1905, is the largest foreign bank of the country with 25 offices in 6 cities. SCB provides custodial services to foreign and local investors since 1992. SCB is the pioneering custodian bank of the country having ISO 9001:2000 certification for its Securities Services department since 1997 as a symbol of its superior service quality.

### 5.3 ASSET MANAGER OF THE FUND

**LR Global** has a long history of deep and extensive experience in investments in frontier countries including Bangladesh. LR Global was incubated within Rockefeller & Co., the family office started by John D. Rockefeller in 1891. LR Global Partners was founded in June 1997 by our principals, Leon Levy, his partner Jack Nash, and the Rockefeller family. It was intended as an extension of Murray and Don's successful strategy of investing in deeply undervalued securities in developing markets. Leon Levy (1926-2003) was, according to Forbes magazine, a "Wall Street investment genius and prolific philanthropist," who helped create both mutual funds and hedge funds. He co-founded Oppenheimer & Co. in 1959, where he started dozens of mutual funds that, at his death, had grown to more than \$120 billion. In 1982 he sold Oppenheimer to UK's Mercantile and co-founded Odyssey Partners, a private investment partnership. Its success helped it grow into a \$3 billion hedge fund before it was dissolved in 1997.

LR Global was built upon the Rockefeller tradition, Murray and Don's investment philosophy, and a disciplined investment process that continues to this day. Murray passed away in 2006, but Don continues with a seasoned management team that is conservative in its outlook and approach. Our competitive advantage continues to be our investment process and our unique ability to leverage long-standing knowledge in frontier markets to source undiscovered opportunities. Currently, we have offices or strategic partners in New York, Vietnam, Sri Lanka, Singapore, and Bangladesh with investments in over 15 frontier markets. Most of the principals worked at Rockefeller & Co. at some point in their careers. Don LaGuardia was a portfolio manager, Sean Wilson was their former Head of Research, and Bill Asmundson was CEO of Rockefeller & Co. and Reaz Islam joined as CEO of this organization on December 2008 after a distinguished 18-year career at Citigroup, with the last 12 years as the Managing Director of their Fixed Income Alternatives group and Senior Manager of Citigroup.

In 2008, the Principal's of LR Global founded **LR Global Bangladesh Asset Management Company**, a Dhaka based investment firm focused on providing a full range of investment products including management of equity portfolios for onshore and offshore investors.

#### Investment Objective

Our investment objective is to provide superior risk adjusted returns over a medium to long term by investing in strong companies, with good management and at a great price by leveraging our time tested investment process. The investment specialists seek to provide consistent out-performance over time to its investors with a strong attention to risk management. We believe our investment process, grounded in the importance of fundamental research, allows our experienced investment professionals to identify quality growth opportunities in the capital markets.

#### Investment Philosophy

Our investment philosophy is that consistent and attractive risk adjusted returns can only be generated by applying a robust investment process that identifies macro economic trends, sector drivers, expert company analysis, and effective capital allocation on an ongoing basis. It was our guiding philosophy 14 years ago - and it is our guiding philosophy today.

#### Investment Process

Our investment process has been developed consistent with our investment objectives and investment philosophy. The key elements of our process are as follows:

**1. Top down and bottom up** - Our investment portfolios are constructed employing our proprietary methodology of a top-down overlay of the economy, sector and markets risks and bottom-up rigorous fundamental analysis. Our Research team focuses on understanding individual companies as businesses rather than simply as stocks by conducting independent research. Our top down and bottom up investment approach is further enhanced by our proprietary technical trading platform. We combine time-tested investment specialization, industry knowledge and active risk management to seek investment opportunities that we believe will be promising over time. We do not restrict our analysis to the traditional framework of industry buckets. Instead, we employ a truly comprehensive process that aims to identify the best performing companies in a given industry. As investment managers, our mission is to take advantage of these opportunities while effectively managing and diversifying the risks-on behalf of our clients. Our investment process is a marriage of traditional fundamental security valuation and proprietary quantitative risk-control techniques.

**2. Risk management** - The investment portfolio is actively monitored on a regular basis and re-balanced as required. While we pride ourselves on taking a long-term approach to investing our client assets, our process is fluid and dynamic. Our portfolios are constantly monitored using and strictly adhering to our research and analysis driven process. While we do not have a mechanical sell discipline, we will typically either eliminate or trim positions when they no longer meet our three critical factors as stated in our investment objectives. Moreover, we perform a rigorous review on any investment that declines materially in price. Importantly, our emphasis upon downside protection leads us to investments in companies with attractive valuations. We believe this emphasis limits our loss potential should the catalyst not materialize. We embrace the notion that security prices must follow company fundamentals. Simply put, a stock's weight in a portfolio should be directly related to its qualitative and quantitative value, rather than its weight in an index. However, stock price/valuation and liquidity is equally important. We attempt to build downside protection into our process by evaluating and quantifying the risks versus the reward opportunity of every investment in the portfolio. This is achieved by analyzing: free cash flow; the intrinsic or asset value of the company; price-to-sales and/or price-to-tangible book value. This analysis helps us to assess downside risk should unexpected adverse events unfold.

**3. Valuation process** - Our corporate finance approach and cash flow focus helps us better identify potential investments. Our analysis will often include breaking down a company's financial results by business segment to determine a valuation for the whole business. Importantly, our valuation analysis focuses upon absolute valuations, rather than relative valuations; we believe this process focus helps to limit losses and downside risk. Qualitative measures and quantitative measures assist us in determining attractive investments. While evaluating management strength and changes within a company's business are examples of qualitative measures, quantitative measures may include various financial ratios including price-to-cash flow, price-to-sales and price-to-book analysis. All of these elements contribute to assist us in determining the appropriate valuation for an investment and its respective return expectations.

**4. Forward looking analysis** - We do not believe that investing after positive or negative news is an investment discipline. Rather, we seek to uncover the factors that will drive business improvement three months to a year in advance and take positions accordingly. So that, portfolios can fully benefit when these inflection points and catalysts emerge and are recognized. The ingredients for change can come in many forms. For example, there are company specific catalysts, i.e. a new management team, a shift in business strategy, or a restructuring to "unleash" hidden assets. Change can also come from an improving outlook for an entire industry or a changed regulatory framework. We pride our self upon our ability to think independently and identify unique opportunities.

#### **Investment & Operation Team**

LR Global Bangladesh Asset Management Company has a world class investment team comprised of approximately 24 professionals locally; the team in Bangladesh has a cumulative experience of over 125 years. The investment team includes 12 investment and research professionals with experience ranging from 3 to 11 years, plus 12 Operation and compliance officers supporting the business with experience of 5-11 years. In addition to the strong local and global management team, LR Global Bangladesh Asset Management Company leverage highly specialized and seasoned 7 Investment Professionals from our global team in New York, Sri Lanka as well as Hanoi. Our distinct advantage includes leveraging our global as well as local investment teams.

Selected Bio's of the Directors, leadership and Senior Management of LR Global Bangladesh Asset Management Company:

#### **Don LaGuardia, CPA - Chairman and Director**

Mr. LaGuardia is a Chairman and Director of LR Global Bangladesh Asset Management Company and also founder and partner of LR Global, and a member of the investment team which manages the firm's Funds established in 1997. Previously, he spent 5 years at Rockefeller & Co. ("R&Co."), as an equity analyst. His primary responsibilities at Rockefeller & Co. were to identify undervalued opportunities internationally and to develop long-term financial models for valuation purposes. Prior to joining R&Co., Mr. LaGuardia spent 6 years at BMW of North America as a financial analyst and later as business planning manager. Prior to his employment with BMW, Mr. LaGuardia spent 5 years as an auditor at PriceWaterhouseCoopers. Mr. LaGuardia received a BA in public accounting from Pace University, and an MBA in international finance from New York University. In 1992, he received his Certified Public Accountant designation and is a member of the American Institute of Certified Public Accountants.

#### **Reaz Islam - CEO and Director**

Mr. Islam, the CEO and Director of LR Global Bangladesh Asset Management Company, joined LR Global in 2008 as a managing partner and member of the investment team which manages the firm's Funds. Previously, he spent 18 years at Citigroup, including the last 12 years as Managing Director of Citi Alternative Investments and head of Citi Fixed Income Alternatives. At Citi Alternative Investments, under Mr. Islam's leadership the investment team managed over \$40 Billion of assets across multiple Funds on behalf of the investors. In this capacity, Mr. Islam was also a member of Citi Alternative's Management Committee, as well as Senior Manager of Citigroup. Prior to joining Citi Alternative Investments, Mr. Islam spent three years as a Senior Risk Analyst for Citi's Corporate and Investment bank reviewing credit as well as market risks globally. Mr. Islam started his career at Citi as a Management Associate in 1990 and subsequently completed the credit training program from Institute of Global Finance. Mr. Islam received a BS with concentration in Economics and Statistics from Cornell University, and an MBA in Finance and Operations Research from New York University's Stern School of Business.

#### **Sean Wilson, CFA - Director**

Mr. Wilson, Director of LR Global Bangladesh Asset Management Company, joined LR Global in 2005 as a partner and member of the investment team which manages the firm's Funds. Previously, he spent 3 years as a senior portfolio manager at Columbia Management Company, the asset management division of Bank of America, with responsibility for managing in excess of \$10 billion for retail and institutional clients. Prior to Columbia, Mr. Wilson spent 8 years as a Managing Director at R&Co. with responsibilities including director of research and portfolio manager. Prior to his employment with R&Co., Mr. Wilson spent 2 years with Phoenix Investment Counsel as international equity analyst. Prior to his employment with Phoenix Investment Counsel, Mr. Wilson spent 5 years with GMO as a foreign exchange trader and quantitative analyst. Mr. Wilson received a BA in finance from Northeastern University, and is a CFA charter holder.

#### **5.4 AUDITORS**

The Trustee, BGIC has appointed Hoda Vasi Chowdhury & Co. Chartered Accountants as the Auditor of the Fund for the First year. It is one of the reputed and older audit firms of the country and is associated with world renowned Deloitte Touché Tohmatsu.

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

#### **5.5 FEES AND EXPENSES**

The Fund will pay the fees of 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 100,00,00,000 (taka one hundred crore), LR Global Bangladesh Asset Management Company 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. Banker to the issue fee/Collection Charge	: 0.10 per cent
2. Formation Fee Payable to AMC	: 1.50 per cent
3. Printing & Publication	: 0.50 per cent
4. Legal Expenses (Listing Fees, Registration Fees etc.)	: 1.00 per cent
5. Other expenses	: 1.40 per cent
<b>Total</b>	<b>: 4.50 per cent</b>

2. **Management Fee:** As per সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ the Asset Management Company shall be paid annual management fee @ 2.50% per annum of the weekly average NAV up to Tk. 5,00,00,000 (taka five crore) and @ 2.00% per annum for additional amount of the weekly average NAV above Tk. 5,00,00,000 (taka five crore) up to Tk. 25,00,00,000 (taka twenty five crore) and @ 1.50% per annum for additional amount of the weekly average NAV above Tk. 25,00,00,000 (taka twenty five crore) up to Tk. 50,00,00,000 (taka fifty crore) and @ 0.90% per annum for additional amount of the weekly average NAV over Tk. 50,00,00,000 (taka fifty crore) accrued and payable half yearly.

Initially, total management fee for the NCCBL Mutual Fund-1 will be 1.35% assuming Tk. 100 crore Fund size.

3. **Trustee Fee:** The Fund shall pay an annual trusteeship fee @ 0.10% of the Net Asset Value (NAV) of the Fund only payable semi-annually during the life of the Fund.
4. **Custodian Fee:** The Fund shall pay to the custodian i.e. SCB for safekeeping of securities @ 0.05% of balance (dematerialized and non-dematerialized) securities held by the Fund and calculated on the basis of average month-end value per annum and trade settlement fees of BDT 500 per trade and the total monthly custodian expense is capped at BDT 90,000 per month, which equates to on an annualized basis approximately 0.108% of the initial Fund size of BDT 100 crore. Since the custodian expense is capped, as the Fund NAV continues to grow, custodian expense as a percent of NAV will decrease. In addition any out of pocket expenses may be applicable to the Fund operation on a periodic basis.
5. **CDBL Fee:** For listing with the Central Depository of Bangladesh Limited (CDBL) there are both initial and recurring expenses. An amount of Tk. 5,00,000 (taka five lac) as security deposit shall be kept with CDBL without interest during the whole life of the Fund, while an IPO fee of Tk. 2,50,000 (taka two lac and fifty thousand) 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. 100,000.00 (taka one lac). Documentation fee of Tk. 2,500 (taka twenty-five hundred).
6. **Fund Registration and Annual Fee:** The Fund has paid Tk. 20,00,000 (taka twenty lac, 0.20%) to the Securities and Exchange Commission (SEC) as registration fee. In addition to that, the Fund will have to pay at the rate of Tk 0.10% of the NAV per annum as annual fee in terms of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) 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. 50,000 (taka fifty thousand) only, plus VAT, for the first year and Trustee will fix fees for subsequent years.

## 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, Fees, etc., shall not exceed 4% of the weekly average net assets outstanding during any accounting year or as may be determined by the Rules.



## 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. 100,00,00,000 (taka one hundred crore) divided into 10,00,00,000 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	1,50,00,000	10.00	15,00,00,000.00	Subscribed
Pre-IPO Placement	3,50,00,000	10.00	35,00,00,000.00	Subscribed
Resident Bangladeshis	3,75,00,000	10.00	37,50,00,000.00	Yet to be subscribed
Non-Resident Bangladeshis (NRBs)	50,00,000	10.00	5,00,00,000.00	Yet to be subscribed
Reserved for Mutual Funds	75,00,000	10.00	7,50,00,000.00	Yet to be subscribed
<b>Total</b>	<b>10,00,00,000</b>	<b>10.00</b>	<b>100,00,00,000.00</b>	

All Pre-IPO Placement will be in 6 months lock-in period from the date of listing of the Fund. The percentage of institutional lock-in including Sponsor is 50.00% of total Fund Size. The following is a list of the institutions:

SL.NO	Institutions	No. of Units	Amount(TK)	Lock-in Tenure
1	National Credit and Commerce Bank Ltd. (Sponsor)	1,50,00,000	15,00,00,000.00	1 year*
2	EBL First Mutual Fund	50,00,000	5,00,00,000.00	6 months
3	Trust Bank First Mutual Fund	50,00,000	5,00,00,000.00	6 months
4	IFIC Bank First Mutual Fund	50,00,000	5,00,00,000.00	6 months
5	First Janata Bank Mutual Fund	50,00,000	5,00,00,000.00	6 months
6	PHP First Mutual Fund	50,00,000	5,00,00,000.00	6 months
7	NCC Bank Employees Contributory Provident Fund Management Committee	30,00,000	3,00,00,000.00	6 months
8	NCC Bank Ltd. Employees Gratuity Fund	20,00,000	2,00,00,000.00	6 months
9	Popular life First Mutual Fund	50,00,000	5,00,00,000.00	6 months
	<b>Institutional Lock-in including Sponsor</b>	<b>5,00,00,000</b>	<b>50,00,00,000.00</b>	
	<b>% of Institutional Lock-in including Sponsor of the Fund</b>	<b>50.00%</b>		

\* Unit Certificates for 100% of the Sponsor's contribution amounting to Tk. 15,00,00,000 (taka fifteen crore) only shall be subject to a lock-in period of 1 (one) year from the date of listing in the Stock Exchange(s) and 1/10th of the Sponsor's contribution amounting to Tk. 1,50,00,000 (taka one crore and fifty lac ) only shall be subject to a lock-in period of full time of the Fund.



## 6.2 PRE-IPO PLACEMENT

### 1) Subscription from Sponsor

National Credit and Commerce Bank Ltd., the Sponsor, has already subscribed Tk. 15,00,00,000 for 1,50,00,000 units of Tk. 10.00 each at par as per বিধি ৯ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.

### 2) Pre-IPO Investor

The following institutions have subscribed Tk. 35,00,00,000 (taka thirty five crore) for 3,50,00,000 (three crore and fifty lac) units with each unit worth Tk. 10.00 (taka ten) at par:

SL.NO	Pre-IPO Investors	No. of Units	Amount(TK)	Lock-in Tenure
1	EBL First Mutual Fund	50,00,000	5,00,00,000.00	6 months
2	Trust Bank First Mutual Fund	50,00,000	5,00,00,000.00	6 months
3	IFIC Bank First Mutual Fund	50,00,000	5,00,00,000.00	6 months
4	First Janata Bank Mutual Fund	50,00,000	5,00,00,000.00	6 months
5	PHP First Mutual Fund	50,00,000	5,00,00,000.00	6 months
6	NCC Bank Employees Contributory Provident Fund Management Committee	30,00,000	3,00,00,000.00	6 months
7	NCC Bank Ltd. Employees Gratuity Fund	20,00,000	2,00,00,000.00	6 months
8	Popular Life First Mutual Fund	50,00,000	5,00,00,000.00	6 months
	<b>Total</b>	<b>3,50,00,000</b>	<b>35,00,00,000.00</b>	

### 3) Public Offer:

10% of the public offer i.e. 50,00,000 units of Tk. 10.00 each totaling Tk. 5,00,00,000 are being offered to the Non-Resident Bangladeshis (NRBs), 15% i.e. 75,00,000 units of Tk. 10.00 each totaling Tk. 7,50,00,000 are being reserved for Mutual Funds and the remaining 3,75,00,000 units of Tk. 10.00 each amounting to Tk. 37,50,00,000 are being offered to the Resident Bangladeshis for subscription in cash in full on application.

## 6.3 TAX EXEMPTION

Investment in this Fund by individual investors will enjoy tax exemption benefit under section 44(2) of Income Tax Ordinance, 1984.

#### **6.4 RIGHTS OF THE UNIT HOLDERS**

1. Unit holders of the Fund have a proportionate right in the beneficial ownership of the assets of the Fund.
2. Dividend: All the unit holders have equal but proportionate right with respect to dividend. Dividend will be paid in Bangladeshi Taka only.
3. Transfer of units: Units are transferable. The transfer will be made by CDBL under electronic settlement process.
4. Voting Right: All the unit holders shall have usual voting rights. Voting right can be exercised in person or by proxy in a meeting held in connection with any proposal to amend the characteristics of the Fund or any other agenda of meeting called by the Trustee in the circumstances mentioned in the Trust Deed or the *সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১*. In case of show of hands, every unit holder present in person or/and by proxy shall have only one vote and on a poll, every unit holder present in person and/or by a proxy shall have one vote for every unit of which he/she is the holder.
5. Encashment: The units will be listed with DSE and CSE. So investment in Fund will easily be encashable.

#### **6.5 BENEFICIAL INTEREST**

1. Ownership: The unit holders shall preserve only the beneficial interest in the trust properties on pro rata basis of their ownership of the Fund.
2. Periodic Information: Annual Report & Audited Accounts of the Fund will be available at the website ([www.lrglobalbd.com](http://www.lrglobalbd.com)) of the AMC. The Fund will calculate their NAV each week. Moreover, NAV of the Fund (according to cost and market price) will be informed to the Commission and to the DSE/CSE on the first business day of the week before the beginning of the trading hour. Furthermore, weekly NAV of the Fund is to be published in the notice board and website of the AMC's and as a press release to at least one daily national newspaper which covers capital market news.
3. Accounts and Information: The Fund's financial year will be closed on December 31st of every calendar year or as determined by the Commission. If the accounting year closes in less than 3 (three) months of the listing date then this period will be added with the next accounting year and will be treated as first accounting year. Annual report or major head of Income & Expenditure A/C and Balance Sheet in line with schedule VI of the *সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১* will be published within 45 (forty five) days from the closure of each accounting year.

Furthermore, the NAV, NAV per unit, any suspension or alteration of the calculation of NAV of the Fund will be published/ notified to DSE and CSE by the Asset Management Company.

## 7. REDEMPTION / WINDING UP POLICY

### 7.1 PROCEDURE OF REDEMPTION / WINDING UP

- 1) The Fund shall wind up on expiry of the ten-year tenure of the Fund from the date of first listing.
- 2) The Fund may also wind up on the occurrence of any event, which, in the opinion of the Trustee with approval from the Commission, requires the Fund to be wound up.
- 3) The Fund will wind up if 75% of the unit holders vote in favor of winding up the Fund.
- 4) The Commission has the right to wind up the Fund in the interests of the unit holders.
- 5) If the Fund is to be wound up in pursuance to the above (1), (2), (3) and (4), the Trustee and the Asset Management Company shall simultaneously give separate notices of the circumstances leading to the winding up of the Fund to the Commission and the Stock Exchanges. If the winding up is permitted by the Commission, the Trustee and the Asset Management Company shall publish the notice of winding up of the Fund in two national daily newspapers including a Bengali newspaper having circulation all over Bangladesh.

### 7.2 MANNER OF REDEMPTION/WINDING UP

1. The Trustee shall call a meeting within 30 (thirty) days from the notice date of the unit holders to consider and pass necessary resolutions by 3/4th (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 Fund. If it fails to have three-fourth majority mandate, the Commission shall have the power to supersede the mandate, if situation demands such.
2. The Trustee shall dispose off the assets of the Fund in the best interest of the unit holders, provided that the proceeds of sale made in pursuance of the বিবিমাণ, shall in the first instance be utilized towards discharge of such liabilities as are properly due under the Fund 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 Fund as on the date when the decision for winding up was taken.
3. Within 30 (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 Fund 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 Fund.

### 7.3 EFFECT OF REDEMPTION / 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

- 1) Cease to carry on any business activities of the Fund;
- 2) Cease to create and cancel units of the Fund;
- 3) Cease to issue and redeem units of the Fund.

## 8. CONDITION FOR PUBLIC OFFER, ALLOTMENT AND APPLICATION OF UNITS

### *Disclosure in respect of issuance of security demat form*

As per provisions of the ডিপজিটরি আইন, ১৯৯৯ and regulations made there under, unit of the Fund will be issued in dematerialized form, only and, for this purpose, NCCBL Mutual Fund-1 has signed an agreement with the Central Depository Bangladesh Limited (CDBL). Therefore, all transfers/transmissions, splitting or conversion will take place in the CDBL system.

### 8.1 ISSUE OF UNITS

Subscribers	No of units	Face Value (Tk.)	Amount (Tk.)	Remarks
Sponsor	1,50,00,000	10.00	15,00,00,000	Subscribed
Pre-IPO Placement	3,50,00,000	10.00	35,00,00,000	Subscribed
Resident Bangladeshis	3,75,00,000	10.00	37,50,00,000	Yet to be subscribed
Non-Resident Bangladeshis (NRB's)	50,00,000	10.00	5,00,00,000	Yet to be subscribed
Reserved for Mutual Funds	75,00,000	10.00	7,50,00,000	Yet to be subscribed
<b>Total</b>	<b>10,00,00,000</b>	<b>10.00</b>	<b>100,00,00,000.00</b>	

### 8.2 MINIMUM SUBSCRIPTION FOR THE ISSUE

The target amount to be raised in respect of the Fund is Tk. 100,00,00,000 (taka one hundred crore) including Sponsors portion and Pre-IPO Placement. As per the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউইসি) বিধিমালা, ২০০১, the minimum subscription will be 60 percent of the Fund's target amount i.e. Tk. 60,00,00,000 (taka sixty crore) of the targeted amount Tk. 100,00,00,000 (taka one hundred crore) only. The Trustee and Asset Management Company shall be liable to refund the entire amount collected if public subscription stands below Tk. 60,00,00,000 (taka sixty crore) only.

### 8.3 CONDITIONS OF ALLOTMENT

- 5,00,00,000 units of Tk. 10 each will be allotted among the Resident and Non-Resident Bangladeshis (NRBs), Mutual Funds and Collective Investment Schemes.
- In case of oversubscription, LR GLOBAL Bangladesh Asset Management Company Limited will conduct an open lottery of all the applications received.
- PUBLIC OFFER Distribution System :
  - Units of Tk. 5,00,00,000 (taka five crore) of the total public offering shall be reserved for Non-Resident Bangladeshi (NRB) and units of Tk. 7,50,00,000 (taka seven crore and fifty lac) for Mutual Funds and Collective Investment Schemes registered with the Commission, and the remaining units of Tk. 37,50,00,000 (taka thirty seven crore and fifty lac) shall be open for subscription by the General Public.
  - 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.
  - In case of oversubscription 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 SEC's instructions.
  - In case of under subscription under any of the 2 (two) categories [i.e. units of Tk. 5,00,00,000 (taka five crore) for NRB and units of Tk. 7,50,00,000 (taka 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. 37,50,00,000 (taka thirty seven crore and fifty lac) only] and, if after such addition, there is oversubscription in the General Public category, the Asset Management Company shall conduct an open lottery of all the applicants added together.
  - The lottery as stated in para (c) and (d) shall be conducted in presence of the authorized representatives of the SEC, Stock Exchange(s) concerned, Sponsor, Asset Management company, Trustee and the applicants.
- Lottery, if needed, shall be conducted in the presence of representatives from the Stock Exchanges, SEC & the applicants, if present.
- In case of any difficulty in respect to implementation of the conditions of offer and allotment of units, the allotment of units will be made in such a manner as determined by the SEC.
- The Fund reserves the right to accept or reject any application in whole or in part.

7. The Asset Management Company shall issue units allotment advices 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 without any deduction. The unsuccessful applicants shall be refunded with the application money within **5 (five) weeks** from the closing of the subscription date. In case of non-allotment of shares, 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 for subscription.
8. In case of joint application, all correspondence will be made with the person whose name appears first.
9. Successful applicants will be notified by the dispatch of an allotment advice by registered post/courier. Advice of allotment and Refund Warrants will be issued within **5 (five) weeks** from the closing of the subscription period. After allotment, the Asset Management Company will have to transfer the units to the allottees' BO account, which has been mentioned in the application form.
10. Where allotment is made in whole or in part with respect to joint application, the allotment advices will be dispatched to the person, whose name appears first in the application form, notwithstanding that the units have been allotted to the joint applicants. Where joint application is accepted in part, the balance of amount paid on application will be refunded without interest to the person named first in the application form.
11. The Securities and Exchange Commission has decided that the primary shares allotted to an applicant through public offer may be forfeited by SEC, if the BO account of the said applicant is found closed at the time of allotment of units. So, all Public Offer applicants are required to keep their BO accounts operational till allotment of Public Offer units.
12. The applicant shall provide the same bank account number in the application form as it is in the Beneficiary Owners account of the applicant. Otherwise the application will be considered invalid and the subscription money may be forfeited.

#### 8.4 APPLICATION FOR SUBSCRIPTION

1. Application for units may be made for a minimum lot of **500 (five hundred)** units to the value of **Tk. 5,000 (taka five thousand)** only and should be made on the Asset Management Company's Printed Application forms. Application forms and the Prospectus may be obtained from the registered office of the Asset Management Company, members of the Dhaka Stock Exchange Limited, the Chittagong Stock Exchange Limited or from the Bankers to the Issue. In case, adequate forms are not available, applicants may use photocopied, cyclostyled, typed/ handwritten copies of the forms.
2. Application must not be for less than 500 units and must be for multiples of 500 units. Any application not meeting the above criteria will not be considered for allotment purpose.
3. Joint Application form for more than two persons will not be accepted. In the case of a joint Application, each party must sign the Application form.
4. Application must be in full name of individuals or limited companies or trusts or societies and not in the name of firms, minors or persons of unsound mind. Applications from insurance, financial and market intermediary companies must be accompanied by Memorandum and Articles of Association.
5. 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.
6. Bangladeshi nationals (Including Non-Resident Bangladeshis residing/working abroad) shall be entitled to apply for Units.
7. Payment for subscription by investors other than Non-Resident Bangladeshi may be made to the said Branch/Office mentioned below in Cash/Cheque/Pay Order/bank draft. The Cheque or Pay Order or Bank Draft shall be made payable to the Bank to which it is sent and be marked "**NCCBL Mutual Fund-1**" and shall bear the crossing "**Account Payee Only**" and must be drawn on a bank in the same town of the Bank to which Application form is deposited.
  - a. All completed application forms, together with remittance for the full amount payable on application, shall be lodged by investors other than Non-Resident Bangladeshis with any of the branches of the Banker to the Issue.
  - b. A Non-Resident Bangladeshi (NRB) shall apply against the Public Offer either directly by enclosing a foreign demand draft drawn from a Bank payable in Dhaka, or through a nominee (including a bank or a company) by paying out of foreign currency deposit account maintained in Bangladesh, for the value of securities applied for.
8. The value of securities applied for may be paid in Taka, US Dollar, UK Pound Sterling or Euro at the Spot Buying (TT clean) rate of exchange prevailing on the date of opening of subscription. Refund against oversubscription of units shall be made in the currency in which the value of units applied for was paid by the applicant. Unit Application Form of an NRB shall be sent by the applicant directly along with a draft or cheque to the Asset Management Company at its Registered Office.
9. Copies of Application Form and Prospectus shall be available with Bangladesh Embassy/High Commission in USA, UK, Saudi Arabia, UAE, Qatar, Kuwait, Oman, Bahrain, Malaysia and South Korea and the web site of the Asset Management Company, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited and the Securities and Exchange Commission.



10. A Resident Bangladeshi (RB) applicant cannot submit more than two applications, one in his/her own name and another jointly with other person by one cheque/DD/PO. More than two applications by one cheque/DD/PO will not be allowed.
11. A Non-Resident Bangladeshi (NRB) applicant cannot submit more than two applications, one in his/her own name and another jointly with other person by one cheque/DD/PO by US Dollar/UK Pound sterling/ Euro/Taka (supported by foreign currency encashment certificate). More than two applications by one cheque/DD/PO/Taka (supported by foreign currency encashment certificate) will not be allowed.
  - a. The Public Offer subscription money collected from investors (other than Non-Resident Bangladeshis) by the Banker to the Issue will be deposited to the "NCCBL Mutual Fund-1 Account.
  - b. The subscription money collected from Non-resident Bangladeshis in US Dollar, UK Pound Sterling, Euro shall be deposited to "FC Account(s) for Public Offer".
  - c. In case of oversubscription, refund shall be made by the Asset Management Company out of the "FC Account(s) for Public Offer".
  - d. The Asset Management Company has opened required "FC Account(s) for Public Offer" in US Dollar, UK Pound Sterling, Euro with NCC Bank Ltd., 6, Motijheel C/A, Dhaka-1000
  - e. These accounts will be closed after refund of oversubscription, if any.

Currency	Account Number	Bank	Branch
Bangladeshi Taka	00020315000083	NCC Bank Ltd.	Main Branch, Dhaka
US Dollar	0102090001	NCC Bank Ltd.	Main Branch, Dhaka
EURO	0402090001	NCC Bank Ltd.	Main Branch, Dhaka
UK Pound Sterling	0202090001	NCC Bank Ltd.	Main Branch, Dhaka

**APPLICATIONS NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS AND THE INSTRUCTIONS PRINTED ON THE APPLICATION FORM ARE LIABLE TO BE REJECTED.**

### 8.5 REFUND OF SUBSCRIPTION MONEY

In the case of non-allotment of units, if the applicants' bank accounts as mentioned in their Public Offer Application Forms are maintained with any of the Bankers to the issuer and other banks as mentioned below, refund amount of those applicants will be directly credited to the respective bank account as mentioned in their Public Offer Application Forms.

National Credit and Commerce Bank Ltd.	Dutch-Bangla Bank Limited
Eastern Bank Limited	National Bank Limited
The City Bank Limited	BRAC Bank Limited
Trust Bank Limited	

Otherwise, refund will be made in the same currency in which the value of units was paid for by the applicants without any interest, through "Account Payee" cheque(s) / refund warrant(s) with bank account number and name of the bank, branch as mentioned in the application payable at **Dhaka /Chittagong /Khulna /Rajshahi /Barisal /Sylhet /Bogra**, as the case may be. For this purpose, the number of the Bank Account along with full name of the bank and branch shall be clearly indicated in the units application form.

### 8.6 SUBSCRIPTION BY AND REFUND TO NON-RESIDENT BANGLADESHI

1. A Non-Resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable in 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 units applied for through crossed bank cheque marking "Account Payee Only" or Telegraphic Transfer through banking Channel.
2. The value of units applied for by such person may be paid in Taka or US Dollar or UK Pound Sterling or Euro at the Spot Buying (TT Clean) rate of exchange prevailing on the date of opening of subscription.
3. Refund against oversubscription shall be made in the currency in which the value of units was paid for by the applicant through Account Payee bank cheque(s)/ refund warrant(s) payable at Dhaka with bank account number, Bank's name and Branch as indicated in the units application form. If the applicants' bank accounts as mentioned in their Public Offer Application Forms are maintained with the Bankers to the Issue and other banks as mentioned above under "REFUND OF SUBSCRIPTION MONEY", refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their Public Offer Application Forms.



### NCCBL Mutual Fund-1

#### Instructions

1. As per provision of the ডিপজিটরি আইন, ১৯৯৯ and Regulations made there under Mutual Fund units will only be issued in dematerialized condition. Please mention your Depository BO (Beneficiary Owner) 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 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 "NCCBL MUTUAL FUND-1" 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 banks will issue a provisional acknowledgement to the issue for application lodged with them.
11. In the case of non-allotment of securities, 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 for subscription.
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 the account specified by 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. **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.**
16. **The applicant shall provide the same bank account numbers in the application form as it is in the Beneficiary Owners account of the applicant. Otherwise the application will be considered invalid and the subscription money may be forfeited.**

## BANKERS TO THE ISSUE

### The City Bank Limited

- 1 Barisal Branch, Barisal
- 2 Bogra Branch, Bogra
- 3 Agrabad Branch, Chittagong
- 4 Jubilee Road Branch, Chittagong
- 5 Khatungonj Branch, Chittagong
- 6 Andarkilla Branch, Chittagong
- 7 Cox's Bazar Branch, Chittagong
- 8 Chawkbazar Branch, Chittagong
- 9 Pahartoli Branch, Chittagong
- 10 Comilla Branch, Comilla
- 11 B.B. Avenue, Dhaka
- 12 Principle Office Branch, Dhaka
- 13 Dhanmondi Branch, Dhaka
- 14 Shaymoli Branch, Dhaka
- 15 Nawabpur Branch, Dhaka
- 16 Pragati Sarani Branch, Dhaka
- 17 Zinzira Branch, Dhaka
- 18 Imamganj Branch, Dhaka
- 19 Islampur Branch, Dhaka
- 20 Johnson Road Branch, Dhaka
- 21 Karwan Bazar Branch, Dhaka
- 22 New Market Branch, Dhaka
- 23 Nawabgonj Branch, Dhaka
- 24 VIP Road Branch, Dhaka
- 25 Tongi Branch, Gazipur
- 26 Khulna Branch, Khulna
- 27 Tanbazar Branch, Narayanganj
- 28 Rajshahi Branch, Rajshahi
- 29 Bandar Bazar Branch, Sylhet
- 30 Zinda Bazar Branch, Sylhet
- 31 Amborkhana Branch, Sylhet
- 32 Moulvi Bazar Branch, Sylhet
- 33 Rangpur Branch, Rangpur
- 34 Sirajganj branch, Sirajganj
- 35 Jessor Branch, Jessor
- 36 Narsingdi Branch, Narsingdi

### Eastern Bank Limited

- 1 Bogra Branch, Bogra
- 2 Agrabad Branch, Chittagong
- 3 Khatungonj Branch, Chittagong
- 4 Bashundhara Branch, Dhaka
- 5 Mirpur Branch, Dhaka
- 6 Motijheel Branch, Dhaka
- 7 Principal Branch, Dilkusha, Dhaka
- 8 Shyamoli Branch, Dhaka
- 9 Khulna Branch, Khulna
- 10 Narayanganj Branch, Narayanganj
- 11 Rajshahi Branch, Rajshahi
- 12 Jessor Branch, Jessor
- 13 Choumuhoni Branch, Noakhali
- 14 Savar Branch, Savar
- 15 Moulvi Bazar Branch, Moulvi Bazar

### BRAC Bank Limited

- 1 Agrabad Branch, Chittagong
- 2 Kazirdeuri Branch, Chittagong
- 3 Halishahar Branch, Chittagong
- 4 CDA Avenue Branch, Chittagong
- 5 Momin Road Branch, Chittagong
- 6 Asad Gate Branch, Dhaka
- 7 Bashundhara Branch, Dhaka
- 8 Donia Branch, Dhaka
- 9 Eskaton Branch, Dhaka
- 10 Graphics Building Branch, Dhaka
- 11 Manda Branch, Dhaka
- 12 Mirpur Branch, Dhaka
- 13 Rampura Branch, Dhaka
- 14 Nawabpur Branch, Dhaka
- 15 Shyamoli Branch, Dhaka
- 16 Uttara Branch, Dhaka
- 17 Barisal Branch, Barisal
- 18 Bogra Branch, Bogra
- 19 Jessor Branch, Jessor
- 20 Khulna Branch, Khulna
- 21 Narayanganj Branch, Narayanganj
- 22 Rajshahi Branch, Rajshahi
- 23 Zindabazar Branch, Sylhet

### Trust Bank Limited

- 1 Radisson Water Garden Hotel Branch, Dhaka
- 2 Tongi Branch, Dhaka
- 3 Dilkusha Corporate Branch, Dhaka
- 4 Principal Branch, Dhaka
- 5 Savar Cantonment Branch, Dhaka
- 6 Ashulia Branch, Dhaka

7. Kafil Branch, Dhaka
8. Chowmohoni Branch, Chowmohoni
9. Narsingdi Branch, Narsingdi
10. Khulna Branch, Khulna
11. Jalalabad Branch, Sylhet
12. Ashuganj Branch, Brahmanbaria
13. Rangpur Cant. Branch, Rangpur
14. Momen Shahi Cant. Branch, Mymensingh
15. Kadamtali Branch, Chittagong
16. Chittagong Cant. Branch, Chittagong
17. Comilla Cant. Branch, Comilla
18. S.S. Cant. Branch, Tangail
19. Bogra Cant. Branch, Bogra
20. Joydebpur Branch, Gazipur

### National Credit and Commerce Bank Ltd.

- 1 Agrabad Branch, Chittagong
- 2 Jubilee Road Branch, Chittagong
- 3 Kamal Bazar Branch, Chittagong
- 4 Khatungonj Branch, Chittagong
- 5 O.R. Nizam Road Branch, Chittagong
- 6 CEPZ Branch, Chittagong
- 7 Anderkilla Branch, Chittagong
- 8 Halishahar Branch, Chittagong
- 9 Kadamtali Branch, Chittagong
- 10 Majhirhat Branch, Chittagong
- 11 Madunaghat Branch, Chittagong
- 12 Cox's Bazar Branch, Cox's Bazar
- 13 Comilla Branch, Comilla
- 14 Motijheel Branch, Dhaka
- 15 Babubazar Branch, Dhaka
- 16 Banani Branch, Dhaka
- 17 Bangshal Branch, Dhaka
- 18 Bijoynagar Branch, Dhaka
- 19 Dhanmondi Branch, Dhaka
- 20 Dilkusha Branch, Dhaka
- 21 Elephant Road Branch, Dhaka
- 22 Karwan Bazar Branch, Dhaka
- 23 Mirpur Branch, Dhaka
- 24 Mitford Branch, Dhaka
- 25 Nawabpur Road Branch, Dhaka
- 26 Malibagh Branch, Dhaka
- 27 Uttara Branch, Dhaka
- 28 Moghbazar Branch, Dhaka
- 29 Pragati Sarani Branch, Dhaka
- 30 Jatrabari Branch, Dhaka
- 31 Gulshan Branch, Dhaka
- 32 Shyamoli Branch, Dhaka
- 33 Savar Branch, Dhaka
- 34 Islampur Branch, Dhaka
- 35 Joydevpur Branch, Gazipur
- 36 Madaripur Branch, Madaripur
- 37 Tangail Branch, Tangail
- 38 Narayanganj Branch, Narayanganj
- 39 Feni Branch, Feni

- 40 Ramganj Branch, Laxmipur
- 41 Laxmipur Branch, Laxmipur
- 42 Chowmuhoni Branch, Noakhali
- 43 Laldighirpar Branch, Sylhet
- 44 Chowhatta Branch, Sylhet
- 45 Moulvibazar Branch, Moulvibazar
- 46 Rangpur Branch, Rangpur
- 47 Rajshahi Branch, Rajshahi
- 48 Bogra Branch, Bogra
- 49 Naogaon Branch, Naogaon
- 50 Khulna Branch, Khulna
- 51 Jessor Branch, Jessor
- 52 Mymensingh Branch, Mymensingh
- 53 Barisal Branch, Barisal
- 54 Kushtia Branch, Kushtia

### Dutch Bangla Bank Limited

- 1 Barisal Branch, Barisal
- 2 Bogra Branch, Bogra
- 3 Chittagong EPZ Branch, Chittagong
- 4 CDA Avenue Branch, Chittagong
- 5 Fatikchhari Branch, Chittagong
- 6 Halishahar Branch, Chittagong
- 7 Hathazari Branch, Chittagong
- 8 Jubilee Road Branch, Chittagong
- 9 Kadamtali Branch, Chittagong
- 10 Khatungonj Branch, Chittagong
- 11 Lohagara Branch, Chittagong
- 12 Muradpur Branch, Chittagong
- 13 Patherhat Branch, Chittagong
- 14 Comilla Branch, Comilla

- 15 Cox's Bazar Branch, Cox's Bazar
- 16 Gobindaganj Branch, Gaibandha
- 17 Dania Branch, Dhaka
- 18 Bandura Branch, Dhaka
- 19 Dhaka EPZ Branch, Dhaka
- 20 Joypara Branch, Dhaka
- 21 Satmosjid Road Branch, Dhaka
- 22 Savar Bazar Branch, Dhaka
- 23 Madaripur Branch, Madaripur
- 24 Satkhira Branch, Satkhira
- 25 Tangail Branch, Tangail
- 26 Mirzapur Branch, Tangail
- 27 Munshiganj branch, Munshiganj
- 28 Habiganj Branch, Habiganj
- 29 Faridpur Branch, Faridpur
- 30 Chowmuhani Branch, Noakhali
- 31 Chhatak Branch, Sunamganj
- 32 Shahzadpur Branch, Sirajganj
- 33 Rangpur Branch, Rangpur
- 34 Rajshahi Branch, Rajshahi
- 35 Pabna Branch, Pabna
- 36 Dinajpur Branch, Dinajpur
- 37 Basurhat Branch (Rural), Feni
- 38 Dagonbhuiyan Branch, Feni
- 39 Feni Branch, Feni
- 40 Sonagazi Branch, Feni
- 41 Board Bazar Branch, Gazipur
- 42 Gazipur Chowrasta Branch, Gazipur
- 43 Konabari Branch, Gazipur
- 44 Tongi Branch, Gazipur
- 45 Jessore Branch, Jessore
- 46 Khulna Branch, Khulna
- 47 Bhairab Branch, Kishoregonj
- 48 Kushtia Branch, Kushtia
- 49 Manikgonj Branch, Manikgonj
- 50 Moulavi Bazar Branch, Moulavi Bazar
- 51 Sreemangal Branch, Moulavi Bazar
- 52 Mymensingh Branch, Mymensingh
- 53 Bhulta Branch, Narayanganj
- 54 BSCIC Branch, Narayanganj
- 55 B.B. Road Branch, Narayanganj
- 56 Narayanganj Branch, Narayanganj
- 57 Netaiganj Branch, Narayanganj
- 58 Simrail Branch, Narayanganj
- 59 Baburhat Branch, Narsingdi
- 60 Narshingdi Branch, Narshingdi
- 61 Saidpur Branch, Nilphamary
- 62 Beani Bazar Branch, Sylhet
- 63 Bishwanath Branch, Sylhet
- 64 Goala Bazar Branch, Sylhet
- 65 Golapgonj Branch, Sylhet
- 66 Sylhet Branch, Sylhet
- 67 Shahjalal Uposhohor Branch, Sylhet

### National Bank Limited

- 1 Agrabad Branch, Chittagong
- 2 Khatungonj Branch, Chittagong
- 3 Chawkbazar Branch, Chittagong
- 4 Banani Branch, Dhaka
- 5 Bangshal Road Branch, Dhaka
- 6 Dhanmondi Branch, Dhaka
- 7 Elephant Road Branch, Dhaka
- 8 New Eskaton Branch, Dhaka
- 9 North Brook Hall Branch, Dhaka
- 10 Motijheel Branch, Dhaka
- 11 Mohammadpur Branch, Dhaka
- 12 Mohakhali Branch, Dhaka
- 13 Mirpur Branch, Dhaka
- 14 Malibagh Branch, Dhaka
- 15 Foreign Ex. Branch, Dhaka
- 16 Pragati Sarani Branch, Dhaka
- 17 Gulshan Branch, Dhaka
- 18 Imamganj Branch, Dhaka
- 19 Islampur Branch, Dhaka
- 20 Jatrabari Branch, Dhaka
- 21 Uttara Branch, Dhaka
- 22 Kawran Bazar Branch, Dhaka
- 23 Z H Sikder M.C. Branch, Dhaka
- 24 Savar Bazar Branch, Savar, Dhaka
- 25 Lake Circus Branch, Dhaka
- 26 Rokeya Sarani Branch, Dhaka
- 27 Babubazar Branch, Dhaka
- 28 Rifles Square Branch, Dhaka
- 29 Dilkusha Branch, Dhaka
- 30 Narayanganj Branch, Narayanganj

**Subscription**  
**Opening on March 25, 2012**  
**Closing on April 01, 2012**  
**NCC BL Mutual Fund-1**

Investors' Relation Office: Navana Tower (9th Floor), Plot-45, Gulshan Avenue Gulshan-01, Dhaka-1212

INTERESTED PERSONS ARE ENTITLED TO A PROSPECTUS. IF THEY SO DESIRE, AND THAT COPIES OF PROSPECTUS MAY BE OBTAINED FROM THE ASSET MANAGEMENT COMPANY

## Application Form

**NCCBL MUTUAL FUND-1**

**APPLICATION FOR UNITS BY NON RESIDENT BANGLADESHI(S)**

To be sent directly to the Asset Management Company's Head Office

**Warning: Please read the instructions on the back of the form. Incorrectly filled applications may be rejected.**

LR Global Bangladesh AMC Ltd.  
Concord I-K Tower (4th Floor)  
Plot-2, Block-CEN(A)  
Gulshan North Avenue  
Gulshan-2, Dhaka-1212

(Please fill in CAPITAL letters)

Dear Sir,  
I/We apply for and request you to allot me/us the ..... number of Units and I/we agree to accept the same or any smaller number that may be allotted to me/us upon terms of the Fund's approved Prospectus and subject to the Fund's Deed of Trust. Further, I/we authorize you to place m/s on the Register of Member(s) of the Fund and deposit the said units to my/our Depository (BO) Account and/or directly refund the application money to my/our Bank Account number whose information is given below and I/we further confirm that the Bank Account number in the application form is the same Bank Account number as available in against the database of Depository (BO) Account:

- Account: \_\_\_\_\_
1. Number of Units \_\_\_\_\_ of Tk. 10 each at par.
2. Amount of Tk. (in figure) \_\_\_\_\_ Taka (in words) \_\_\_\_\_ only convertible into US Dollar 1.00 = Tk. \_\_\_\_\_ and UK Pound Sterling 1.00 = Tk. \_\_\_\_\_ and Euro 1.00 = Tk. \_\_\_\_\_
3. Payment by Cheque/Draft/Pay Order No. \_\_\_\_\_ date \_\_\_\_\_ 2012 for US Dollar/ UK Pound Sterling/Euro/ Tk. \_\_\_\_\_ drawn on \_\_\_\_\_ Bank \_\_\_\_\_ Branch \_\_\_\_\_
4. Depository (B/O) Account No: \_\_\_\_\_

(If you do not mention your valid BO Account number your application will be treated as invalid)

5. I/we fully agree to fully abide by the instructions given therein.

Sole/First Applicant: Mr. /Mrs./Ms.:		
Father's/Husband's Name:		
Mother's Name:		
Postal Address:		
		Email:
Nationality:	Passport No. :	Passport Validity:
Occupation:	Date of Birth:	Mobile:
For refund warrant (Application will not be treated as valid if anyone uses a non-scheduled bank. To avoid this complication investors are requested not to use the name of any non-scheduled bank), please write the correct and full name of bank and branch:		
<b>For refund warrant:</b> Applicant's Bank A/C. No.:		
Name of the Bank:		Branch:

(The applicant shall provide the same bank account numbers in the application form as it is in the Beneficiary Owners account of the applicant. Otherwise the application will be considered invalid and the subscription money may be forfeited.)

Second Applicant: Mr. /Mrs./Ms.:	
Father's/Husband's Name:	
Mother's Name:	
Postal Address:	
	Email
Occupation:	Nationality:
Passport No:	Passport Validity:
Date of Birth:	Mobile:
<b>Nominee</b>	
<b>Name:</b>	
<b>Mailing Address:</b>	
	Mobile:

7. I/we hereby declare that I/we have read the Prospectus of NCCBL Mutual Fund-1, and have willingly subscribed for.....number of Units of Tk.10 each on this form.

	NAME IN BLOCK LETTERS	SIGNATURE
Sole/First Applicant		
Second Applicant		
Nominee:		



**NCCBL MUTUAL FUND-1  
Instructions**

1. As per provision of the ডিপিজিআইন, ১৯৯৯ and regulations made there under mutual fund units will only be issued in dematerialized condition. Please mention your BO (Beneficiary owner) Account Number in the Application form. If you do not mention your valid BO (Beneficiary Owner) Account Number, your application will be treated invalid.
2. All information must be written or typed in Block Letters in English and must NOT be abbreviated.
3. 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.
4. Application must be accompanied by a foreign demand draft drawn on a bank payable at Dhaka or cheque drawn out of foreign currency deposit account maintained in Bangladesh for the full value of units favoring "NCCBL Mutual Fund-1" and crossed "Account Payee Only".
5. Application shall be sent by the applicant directly to LR Global Bangladesh Asset Management Company Limited within April 01, 2012 so as to reach the Asset Management Company within April 10, 2012. No Application sent after April 01, 2012 or received by the LR Global Bangladesh Asset Management Company Limited after April 10, 2012 will be considered for allotment purpose.
6. Refund against over-subscription shall be made in the currency in which the value of Units was paid for by the applicant through Account Payee Cheque payable at Dhaka with bank account number, Bank's name and Branch.
7. **Public Offer Distribution System:**
  - a. Units of Tk. 5,00,00,000 (taka five crore) of total public offering shall be reserved for Non-Resident Bangladeshi (NRB) and units of Tk. 7,50,00,000 (taka seven crore and fifty lac) for Mutual Funds and Collective Investment Schemes registered with the Commission, and the remaining units of Tk. 37,50,00,000 (taka thirty seven crore and fifty lac) 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. 5,00,00,000 (taka five crore) only for NRB and units of Tk. 7,50,00,000 (taka seven crore and fifty lac) only for Mutual Funds] mentioned in para (a), the unsubscribed portion shall be added to the General Public category [units of Tk. 37,50,00,000 (taka thirty seven crore and fifty lac) only] 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 applications added together.
  - e. The lottery as stated in para (c) and (d) shall be conducted in presence of the authorized representatives of the SEC, Stock Exchange(s) concerned, Sponsor, Asset Management Company, Trustee and the applicants, if there be any.
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 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 SEC. This may be in addition to any other penalties as may be provided for by law.
12. The intending NRB applicants shall deposit unit money by US Dollar/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's 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 an NRB, dual citizenship or of the foreign passport bearing an endorsement from the concerned Bangladeshi Embassy to the effect that "no visa is required 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 securities, 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 for subscription.
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.
19. The applicant shall provide the same bank account number in the application form as it is in the Beneficiary Owners account of the applicant. Otherwise the application will be considered invalid and the subscription money may be forfeited.
20. All the applicants shall first be treated as applied for one minimum market lot of 500 (five hundred) units worth TK. 5,000 (taka five thousand) only. If, on this basis, there is oversubscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. In case of oversubscription under any of the categories mentioned hereinabove, the issuer and the Asset Manager shall jointly conduct an open lottery of all the applications received under each category separately in presence of representatives from the SEC, the Stock Exchange(s), Sponsor, Trustee, Asset Manager and applicants, if there be any.

**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**



**Registered Office:**

LR Global Bangladesh

Asset Management Company Ltd.

IK Tower (4th Floor), Plot # 2, Block # CEN (A)

Gulshan North Avenue, Gulshan-2, Dhaka-1212, Bangladesh

Mob : (+88) 01730450478-9, Tel : (+8802) 8826676, 8818409,

Fax : (+8802) 9895689, Email : [info@lrglobalbd.com](mailto:info@lrglobalbd.com)

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