

PROSPECTUS

(ABRIDGED VERSION)

for

EBL FIRST MUTUAL FUND

**The First Bangladeshi Commercial Bank
Sponsored Mutual Fund**



*Promoting Capital Market Efficiency
Through Mutual Funds*

*Unique Financial Institution that Delivers Superior
Growth and Financial Performance*

PROSPECTUS

for

EBL First Mutual Fund

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

SPONSORS CONTRIBUTION: 20,000,000 Units of Tk 10 each at par for TK 200,000,000

PRE IPO PLACEMENT: 60,000,000 Units of Tk 10 each at par for TK 600,000,000

PUBLIC OFFER : 20,000,000 Units of Tk 10 each at par for TK 200,000,000

RESERVED FOR MUTUAL FUNDS: 2,000,000 Units of Tk 10 each at par for TK 20,000,000

NON RESIDENT BANGLADESHIS: 2,000,000 Units of Tk 10 each at par for TK 20,000,000

RESIDENT BANGLADESHIS: 16,000,000 Units of Tk 10 each at par for TK 160,000,000

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

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

The Issue/Fund shall be placed in "A" category. The Fund shall apply for listing with both the Stock Exchanges.

SPONSOR :

Eastern Bank Limited

TRUSTEE:

Investment Corporation of Bangladesh (ICB)

CUSTODIAN:

Investment Corporation of Bangladesh (ICB)

ASSET MANAGEMENT COMPANY:

RACE Management PCL

Subscription

Subscription opens: June 21, 2009

Subscription closes: June 25, 2009

For Non-Resident Bangladeshis subscription closes on

July 4, 2009

Date of Publication of Prospectus: May 26, 2009

Date of publication of prospectus: May 26, 2009 in "The Financial Express" and "Noya Digonto". Issue/Fund shall be placed in "A" category. The Fund shall apply for listing in both the the Stock Exchanges.

Highlights

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|--------------------------|---|
| 1. Name: | EBL First Mutual Fund |
| 2. Size of the Fund: | Tk. 100 crore divided into 100,000,000 units at par value of Tk. 10.00 each. In future the fund size will not be changed. |
| 3. Face Value | Tk. 10.00 per unit. |
| 4. Nature: | Closed-end Mutual Fund of ten years tenure. |
| 5. Objective: | The objective of the Fund is to provide attractive dividend to the unit holders by investing the proceeds in the Capital Market and Money Market. |
| 6. Target Group: | Individuals, institutions, non-resident Bangladeshis (NRB), mutual funds and collective investment schemes are eligible to apply for investment in the Fund. |
| 7. Dividend: | Minimum 70% income of the Fund will be distributed as dividend in Bangladeshi Taka only at the end of each accounting year. The Fund shall create a dividend equalization reserve fund to ensure consistency in dividend. |
| 8. Mode of Distribution: | The dividend will be distributed within 30 days from the date of declaration. |
| 9. Transferability: | Units are transferable. The transfer will be made by the CDBL under electronic settlement process. |
| 10. Encashment: | The Fund will be listed with DSE and CSE. So investment in this Fund will easily be encashable. |
| 11. Tax Benefit: | Income will be tax free up to certain level, which is permitted as per Finance Act. Investment in the Fund would qualify for investment tax credit under section 44(2) of the Income Tax Ordinance 1984. |
| 12. Report & Accounts: | Every unit holder is entitled to receive annual report together with the yearly and half-yearly statements of accounts as and when published. |

Risk Factors

Investing in the EBL First Mutual Fund (hereinafter the Fund) involves certain considerations in addition to the risks normally associated with making investments in securities. There can be no assurance that the Fund will achieve its investment objectives. The value of the Fund may go down as well as up and there can be no assurance that on redemption, or otherwise, investors will receive the amount originally invested. Accordingly, the Fund is only suitable for investment by investors who understand the risks involved and who are willing and able to withstand the loss of their investments. In particular, prospective investors should consider the following risks:

- In General:** There is no assurance that the Fund will meet its investment objective; investors could lose money by investing in the Fund. As with all mutual funds, an investment in the Fund is not insured or guaranteed by the Government of Bangladesh or any other government agency.
- Market risk:** Stock prices and Mutual Fund prices generally fluctuate because of the interplay of the various market forces that may affect a single issuer, industry or sector of the economy or may affect the market as a whole. The Fund may lose its value or experience a substantial loss on its investments due to such market volatility.
- Price Risk:** Stock market trends show that prices of many listed securities move in unpredictable directions, which may affect the value of the Fund. Depending on its exposure to such securities, the net asset value of units issued under this Fund can go up or down depending on various factors and forces affecting the capital markets. Moreover, there is no guarantee that the market price of unit of the Fund will fully reflect their underlying net asset values.

4. **Issuer Risk:** In addition to market and price risk, value of an individual security can, in addition, be subject to factors unique or specific to the issuer, including but not limited to management malfeasance, lack of accounting transparency, management performance, management decision to take on financial leverage. Such risk can develop in an unpredictable fashion and can only be partially mitigated, and sometimes not at all, through research or due diligence. To the degree that the Fund is exposed to a security whose value declines due to issuer risk, the Fund's value may be impaired.
5. **Asset Allocation Risk:** Due to a very thin secondary debt market in Bangladesh, it would be difficult for the Fund Manager to swap between asset classes, if and when required. In addition, limited availability of money market instruments in the market implies that there are only few opportunities for short term or temporary investments for the Fund.
6. **Lack of Diversification Risk:** Due to small number of listed securities in both the stock exchanges, it may be difficult to invest the Fund's assets in a widely diversified portfolio.
7. **Liquidation Risk:** Market conditions and investment allocation may impact on the ability to sell securities during periods of market volatility. The Fund may not be able to sell securities or instruments at the appropriate price and/or time.
8. **Dividend Risk:** If the companies wherein the Fund will be invested fail to pay expected dividend, it may affect the overall returns of the Fund.
9. **Investment Strategy Risk:** The Fund is subject to management strategy risk because it is an actively managed investment portfolio. The AMC will apply investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these techniques and analyses will produce the desired results.
10. **Socio-Political & Natural Disaster Risk:** Uncertainties resulting from political and social instability may affect the value of the Fund's Assets. In addition, adverse natural climatic condition may hamper the performance of the Fund.

1. PRELIMINARY

1.1. PUBLICATION OF PROSPECTUS FOR PUBLIC OFFERING:

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

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

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

1.3. LISTING OF FUND:

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

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

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

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

1.4. DOCUMENTS AVAILABLE FOR INSPECTION:

1. Copy of this prospectus will be available with the Members of the Stock Exchanges, website and at the registered office of the RACE Management PCL (www.racebd.com) and also at the website of Securities and Exchange Commission (www.secdbd.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 RACE Management PCL (www.racebd.com).

1.5. CONDITIONS OF THE PUBLIC OFFER (PO):

PART-A

- 1) The Fund shall make Public Offer (PO) for 20,000,000 units of Taka 10/- each at par worth Taka 20.00 (twenty) crore following the *সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১*, the Securities and Exchange Commission (Public Issue) Rules, 2006, the *ডিপজিটরি 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 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 such sale until **25 (twenty five) days** after the prospectus has been published.
- 4) The Asset Management Company shall ensure transmission of the prospectus and relevant application forms for NRBs through e-mail, simultaneously of publication of the prospectus, to the Bangladesh Embassies and Missions abroad, as mentioned in the prospectus, and shall also ensure sending of the printed prospectus and application forms to the said Embassies and Missions within 5 (five) working days of the publication date by express mail service (EMS) of the postal department. A compliance report shall be submitted in this respect to the SEC by the Asset Management Company within **3 (three) working days** from the date of said despatch 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 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 the concerned Bangladesh Embassy/High Commission to the effect that no visa is required to travel to Bangladesh.
- 8) Subscription shall start after **25 (twenty five) days** from the date of publication of the prospectus for both NRBs and resident Bangladeshis. Subscription will remain open for **5 (five) consecutive banking days**.
- 9) Application shall be sent by the NRB applicants directly to the Asset Management Company within the closing date of the subscription so as to reach the same to the Asset Management Company by the closing date plus **9 (nine) days**. Applications received by the Asset Management Company after the 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".**
- 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 one week from closure of the subscription date, and also the list of valid and invalid applicants (i.e. final status of subscription) in 2 (two) CDs to the Commission within **3 (three) weeks** after the closure of the subscription date plus bank statement (original) and branch-wise subscription statement. The final list of valid and invalid applicants shall be finalized after examining with the CDBL with respect to BO accounts and particulars thereof. The public offering shall stand **cancelled** and the application money shall be refunded immediately (but not later than **5 (five) weeks** from the date of the subscription closure) if any of the following events occur:
- 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
 - At least 60% (i.e. Tk. 60.00 crore) of the targeted amount (i.e. Tk. 100.00 crore) under *বিধি ৪৮ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউসিআল ফান্ড) বিধিমালা, ২০০১* is not subscribed.
- 14) Public Offer distribution system:
- Units of Tk. 2.00 (two) crore** of total public offering shall be reserved for Non-resident Bangladeshi (NRB) and units of **Tk. 2.00 (two) crore** for mutual funds and collective investment schemes registered with the Commission, and the remaining units of **Tk. 16.00 (sixteen) crore** 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 **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.
 - In case of **under-subscription** under any of the 2 (two) categories (i.e. **units of Tk. 2.00 (two) crore for NRB and units of Tk. 2.00 (two) crore for mutual funds**) mentioned in para (a), the unsubscribed portion shall be added to the **general public category** (units of Tk. 16.00 (sixteen) crore) 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 authorized representatives from the SEC, concerned Stock Exchange(s), Sponsor, Asset Management Company, Trustee and the applicants.
- 15) **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 of those 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.**
- 16) Lottery (if applicable) will be held within **4 (four) weeks** from closure of the subscription date.
- 17) The Asset Management Company shall issue unit allotment letters to all successful applicant's within **5 (five) weeks** from the date of the subscription closing date. Within the same time, refund to the unsuccessful applicant's shall be made in the currency in which the value of units was paid for by the applicant without any interest, through direct deposit to the applicant's bank account as far as possible/Account Payee Cheque/refund warrants with bank account number, bank's name and branch as indicated in the securities application forms payable at **Dhaka/ Chittagong/ Khulna/ Rajshahi/ Barisal/ Sylhet/ Bogra**, as the case may be. 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).

Refund money of the unsuccessful applicants shall be credited directly to their respective bank accounts within 5 (five) weeks from the date of subscription closing, who have been mentioned in the IPO application form, bank account numbers with the bankers to the issue and other banks as disclosed in the prospectus. A compliance report in this regard 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).

- 18) The Asset Management Company shall furnish the List of Allotees to the Commission and the stock exchange(s) simultaneously in which the units will be listed, within **24 (twenty four) hours** of allotment.
- 19) Unit Certificates for 1/10th of the Sponsor's contribution amounting to Tk. 2.00 (two) crore shall be subject to a statutory lock-in period for 1 (one) year from the date of listing in the Stock Exchange(s).
- 20) If the Asset Management Company fails to collect the **minimum 60%** of the targeted amount under *বিধি ৪৮* of the *সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউচুয়াল ফান্ড) বিধিমালা, ২০০১*, it will refund the subscription money within **5 (five) weeks** from the closure of subscription without any deduction. In case of **failure**, the Asset Management Company shall refund the same with interest **@ 18 (eighteen) percent per annum** from its own account within the next month;
- 21) In case of oversubscription, the excess amount shall be refunded within **5 (five) weeks** from the closure of subscription period, failing which the Asset Management Company will refund the same with an interest @ 18 percent per annum from its own account within the next month;
- 22) 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;
- 23) The Asset Management Company shall apply for listing of the Fund with stock exchange(s) within **9 (nine) days** of first publication of the prospectus;
- 24) Declaration about Listing of Fund with the Stock Exchange(s):
"None of the stock exchange(s), if for any reason, grants listing within 75 (seventy five) days from the closure of subscription, any allotment in terms of this prospectus shall be void and the Asset Management Company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchange(s), or from the date of expiry of the said 75 (seventy five) days, as the case may be.

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

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

- 25) Letter informing allotment shall be issued **within 5 (five) weeks** from the closure of subscription;
- 26) 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 affected through banking channel i.e., through account payee cheque, pay order, bank draft etc.
- 27) The Fund shall not be involved in **option trading**, short selling or carry forward transactions;
- 28) The annual report of the Fund/or its abridged version shall be published within **45 (forty-five) days** of the closure of each accounting year of the Fund;
- 29) An 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;
- 30) Half-yearly accounts/financial results of the Fund shall be submitted to the Commission and the stock exchanges and published in at least one widely circulated Bangla national daily newspaper within **30 (thirty) days** from end of the period;
- 31) Dividend shall be paid within **45 (forty five) days** of its declaration, and a report shall be submitted to SEC, Trustee and Custodian within **7 (seven) days** of dividend distribution;
- 32) Net Asset Value (NAV) of the Fund shall be calculated and disclosed publicly as per the *বিধি ৬০* of the *সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউচুয়াল ফান্ড) বিধিমালা, ২০০১*;
- 33) SEC may appoint auditors for special audit/investigation on the affairs of the Fund, if it so desires;

Part –B

- 1) The Asset Management Company (i.e. RACE Management PCL) shall ensure that the prospectus/abridged version of the prospectus have been published correctly and in strict conformity without any error/omission, as vetted by the Securities and Exchange Commission.
- 2) The Asset Management Company shall carefully examine and compare the published prospectus /abridged version of the prospectus on the date of publication with the prospectus, as vetted by SEC. If any discrepancy/inconsistency is found, both the Sponsor and the Asset Management Company shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to SEC and the stock exchange(s) concerned, correcting the discrepancy/inconsistency as required under 'Declaration' provided with SEC.
- 3) The Sponsor and the Asset Management Company shall, immediately after publication of the prospectus, jointly inform the Commission in writing that the published prospectus/abridged version of the prospectus is a verbatim copy of the prospectus vetted by the Commission.
- 4) The Sponsor and the Asset Management Company shall simultaneously submit to the Commission an attested copy of the application filed with the stock exchange(s) for listing of the securities.
- 5) The Fund collected through public offering shall not be utilized prior to allotment and/or issuance of unit, as and when applicable, and that utilization of the said Fund shall be effected through banking channel, i.e. account payee cheque, pay order or bank draft etc.

PART-C

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

PART-D

1. As per provision of the *ডিপজিটরি আইন, ১৯৯৯* and regulations made thereunder, units shall only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of units will be issued in dematerialized form only.

An applicant (including NRB) shall not be able to apply for allotment of units without Beneficiary Owner account (BO account).

2. The Asset Management Company shall also ensure due compliance of all abovementioned conditions.

PART-E

General Information:

- 1) This prospectus has been prepared by RACE Management PCL based on the Trust Deed executed between the Trustee and the Sponsor of the Fund, which is approved by the Commission and available publicly. The information contained herein is true and correct in all material aspects and that there are no other material facts, the omission of which would make any statement herein misleading.
- 2) No person is authorized to give any information to make any representation not contained in this prospectus and if given or made, any such information or representation must not be relied upon as having been authorized by the RACE Management PCL.
- 3) The issue as contemplated in this document is made in Bangladesh and is subject to the exclusive jurisdiction of the court of Bangladesh. Forwarding this prospectus to any person residing outside Bangladesh in no way implies that the issue is made in accordance with the laws of that country or is subject to the jurisdiction of the laws of that country.

1.6. DECLARATIONS:

Declarations about the responsibility of the Sponsor

The Sponsor, whose name appears in this Prospectus, accepts full responsibility for the authenticity and accuracy of the information contained in this Prospectus and other documents regarding the Fund. To the best of the knowledge and belief of the Sponsor, who has taken all reasonable care to ensure that all conditions and requirements concerning this public issue and all the information contained in this document, drawn up by virtue of the Trust Deed of the Fund by the entrusted AMC, have been met and there is no other information or documents the omission of which may make any information or statements therein misleading.

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

Sd/-
(Ali Reza Iftekhar)
CEO & Managing Director
Eastern Bank Limited

Declaration about the responsibility of the Asset Management Company

This prospectus has been prepared by us based on the Trust Deed, Investment Management Agreement, the Securities and Exchange Commission (Public Issue) Rules, 2006, the *সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, ডিপজিটরি আইন, ১৯৯৯*, and other related agreement & examination of other documents as relevant for adequate disclosure of the Fund's objectives and investment strategies to the investors. We also confirm that:

- 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/-
(Mashrib Zahid)
Chief Financial Officer
RACE Management PCL

Declaration about the responsibility of the Trustee

We, as Trustee of the EBL First Mutual Fund, accept the responsibility and confirm that we shall:

- be the guardian of the Fund, held in trust for the benefit of the unit holders in accordance with the Rules & Trust Deed;
- always act in the interest of the unit holders;
- 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;
- 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;
- take such remedial steps as are necessary to rectify the situation where they have reason to believe that the conduct of business of the Fund is not in conformity with the relevant Rules.

Sd/-
(Md. Altaf Hossain)
Deputy General Manager
Investment Corporation of Bangladesh

Declaration about the responsibility of the Custodian

We, as Custodian of the EBL First Mutual Fund accept the responsibility and confirm that we shall:

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

Sd/-

(Md. Altaf Hossain)

Deputy General Manager

Investment Corporation of Bangladesh

2. BACKGROUND

2.1. FORMATION OF EBL FIRST MUTUAL FUND:

Mutual Fund is one of the oldest and most widely used investment vehicles in the world. Conceptualized almost 300 years ago, the Mutual Fund structure has not only survived the test of time and the many ups-and-downs of the world financial markets, but it has flourished. Today the global Mutual Fund industry is gigantic, comprising of more than 80,000 individual funds with over US\$26 trillion in assets under management. In terms of reach, over 300 million retail investors across a hundred countries invest in capital markets through Mutual Funds. Why has this industry been so successful? Three main reasons:

- Through the pooling of assets, Mutual Funds offer small investors access to professional management at a minimal cost
- Mutual Funds help small investors reduce their investment risks through diversification
- Due to strict regulatory oversight and separation of the investment, custodial and oversight functions, Mutual Funds offer one of the most transparent and safe investment vehicles

Eastern Bank Limited (EBL) has decided to be **the first Bangladeshi commercial bank** to sponsor a Mutual Fund to manage its capital market investments in a safe and professional manner. EBL's senior management believes that returns from the mutual fund are expected to help diversify EBL's revenue stream. In addition, by launching the EBL First Mutual Fund, EBL also looks to do its part to improve the efficiency of the Bangladeshi capital markets.

In this endeavor, EBL has chosen two highly capable partners: RACE Management PCL as the Fund Manager and the Investment Corporation of Bangladesh (ICB) as the Trustee and Custodian of the Fund.

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

In Bangladesh, the Mutual Fund industry is still in its infancy. With less than 20 individual mutual funds to choose from, with combined assets of less than Tk. 2,000 crores, and comprising only a small percentage of the domestic market capitalization, mutual funds have a lot of room to grow. In addition, mutual funds can play a critical role in the development and proper functioning of the capital markets: (i) By soaking up liquidity from retail investors and channeling it through professional investment managers, thereby reducing rumor driven volatility; (ii) By attracting new sources of domestic and foreign institutional funds into the local capital markets; (iii) By eliminating the excessive costs associated with creating internal asset management groups at institutions whose core business is not investments; (iv) By creating a cadre of financial analysts who are necessary for the next phase of evolution of Bangladesh's capital markets. Due to these reasons, regulators such as SEC and industry experts have been urging the expansion of the mutual fund industry for many years. EBL First Mutual Fund is an endeavour to fulfilling the requirement of expansion in the mutual fund industry.

2.3. ADVANTAGES IN INVESTING IN EBL FIRST MUTUAL FUND:

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

- 1) The Fund will maintain a diversified portfolio which will lower the investment risk for investors.

- 2) The diversified portfolio will allow investors gain a broad exposure to the overall stock market which may not be possible at the individual level.
- 3) This Fund provides access to extensive local research and investment experience. The Fund Manager, RACE Management PCL has developed deep insight into the dynamics of the local capital markets. RACE's research department consistently produces insightful research products on the Bangladeshi stock market which have been highly commended by both local stock market participants and foreign investors.
- 4) As the management of the investments in the Fund is outsourced to a professional Asset Management Company, investors will be relieved from any emotional stress associated with day-to-day management of individual investment portfolio. In fact, investment management usually requires a significant amount of time-consuming research and analyses to identify the highest-quality securities which may not be doable for the general investor and is, therefore, best left to professional investment managers.
- 5) The investors will be able to save in transaction cost as he/she has access to a larger number of securities by purchasing a single unit of EBL First Mutual Fund.
- 6) Income will be tax free up to certain level, which is permitted as per Finance Act.
- 7) Investment in the Fund would qualify for investment tax credit under section 44(2) of the Income Tax Ordinance 1984.
- 8) Management and operation of Mutual Funds are subject to strict regulations from Bangladesh Bank, SEC and the Trustee. SEC regularly monitors the performance of such funds. The laws governing mutual funds require exhaustive disclosures to the regulator and general public and, as such mutual funds are one of the most transparent investment vehicles in Bangladesh.
- 9) In Bangladesh, the mutual funds enjoy a 10% (ten percent) reserved quota in all Initial Public Offerings (IPOs). Given the lack of supply of high-quality scripts in the Bangladeshi stock market, IPOs have historically outperformed the general Bangladeshi market index significantly and, therefore, have been a major source of outperformance for the mutual fund industry in Bangladesh.

2.4. 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.

The Trust Deed also provides the flexibility to the unit-holders to extend the tenure of the fund beyond the initial 10 years.

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

- Total Fund is fixed at 10,00,00,000 (ten crore) units of Tk. 10 each totaling Tk. 100,00,00,000 (Taka one hundred crore).
- The Sponsor's portion of the Fund is 2,00,00,000 (two crore) units of Tk. 10 each totaling Tk. 20,00,00,000 (Taka twenty crore).
- Size of the Pre-IPO Private Placement is 6,00,00,000 (six crore) units of Tk. 10 each totaling Tk. 60,00,00,000 (Taka sixty crore)
- Size of the Initial Public Offering (IPO) is 2,00,00,000 (two crore) units, each worth Tk. 10, totaling Tk. 20,00,00,000 (Taka twenty crore) available as public offering to general public, NRBs, Mutual Funds and collective investment schemes.
- The market lot will be constituted of 500 (five hundred) units. In future the fund size will not be changed.

3. INVESTMENT OBJECTIVES AND POLICIES

3.1. INVESTMENT OBJECTIVE:

The objective of EBL First Mutual Fund 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:

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

3.3. INVESTMENT RESTRICTIONS:

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

- 1) The Fund shall not invest in or lend to another Scheme under the same Asset Management Company.
- 2) The Fund shall not acquire any asset out of the Trust property, which involves the assumption of any liability that is unlimited or shall result in encumbrance of the Trust property in any way.
- 3) The Fund or the Asset Management Company on behalf of the Fund shall not give or guarantee term loans for any purpose or take up any activity in contravention of the *সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউচুয়াল ফান্ড) বিধিমালা, ২০০১*.
- 4) All money collected under the Fund shall be invested only in encashable/transferable instruments, securities whether in money market or capital market or privately placed pre-IPO equity, preference shares, and debentures or securitised debts.
- 5) The Fund shall not involve in option trading or short selling or carry forward transaction.
- 6) The Fund shall not buy its own unit.

3.4. VALUATION POLICY:

The Fund intends to determine its NAV per unit on the last business day of each week by dividing the value of the net asset of the Fund (the value of total assets less total liabilities as per Rule 60 of the *সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউচুয়াল ফান্ড) বিধিমালা, ২০০১* by the total number of units outstanding. As per section 58 of the *সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউচুয়াল ফান্ড) বিধিমালা, ২০০১* valuation

policy of investment of the Fund needs to be approved earlier by the Securities and Exchange Commission. Valuation criteria so far approved by the Commission in the Trust Deed are as follows:

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

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

Total NAV = $V_A - L_T$

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

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

L_T = Total liabilities of the Fund as on date

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

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

3.5. INVESTMENT MANAGEMENT:

RACE Management PCL will have discretionary authority over the Fund's portfolio about investment decision. RACE Management PCL shall conduct the day-to-day management of the Fund's portfolio as the Asset Management Company subject to the provisions laid down in the *সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) 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 June 30 of every calendar year or as determined by the Commission
- 2) The Fund shall, as soon as may be, after the closing of the annual accounts, distribute by way of dividend to the holders of the units in accordance with the *বিধিমালা*, an amount, which shall not be less than the 70% of the net profits earned during the year, or as determined by the commission from time to time.

- 3) Before declaration of dividend, the Asset Management Company shall make a provision with agreement of the auditors for revaluation of investments caused from loss if market value of investments goes beyond the acquisition cost, and the method of calculation of this provision must be incorporated in the notes of accounts.
- 4) The Fund shall create a dividend equalization reserve by suitable appropriation from the income of the Fund to ensure consistency in dividend.
- 5) The Asset Management Company shall dispatch the dividend warrants at the expense of the Fund, within 30 days of the declaration of the dividend and shall submit a statement within next 7 (seven) days to the Commission, the Trustee and the Custodian.
- 6) Before record of ownership by the CDBL, a transferee shall not possess the right to any dividend declared by the Fund.

4. RISK CONSIDERATIONS

4.1. RISK FACTORS

Investing in the EBL First Mutual Fund (hereinafter the Fund) involves certain considerations in addition to the risks normally associated with making investments in securities. There can be no assurance that the Fund will achieve its investment objectives. The value of the Fund may go down as well as up and there can be no assurance that on redemption, or otherwise, investors will receive the amount originally invested. Accordingly, the Fund is only suitable for investment by investors who understand the risks involved and who are willing and able to withstand the loss of their investments. In particular, prospective investors should consider the following risks:

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

9. **Investment Strategy Risk:** The Fund is subject to management strategy risk because it is an actively managed investment portfolio. The AMC will apply investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these techniques and analyses will produce the desired results.

10. **Socio-Political & Natural Disaster Risk:** Uncertainties resulting from political and social instability may affect the value of the Fund's Assets. In addition, adverse natural climatic condition may hamper the performance of the Fund.

4.2. EXPECTED MARKET PERFORMANCE OF THE FUND:

- 1) As the overall stock market index is comparatively low now, the Fund should be able to construct portfolio at a relatively cheaper cost base.
- 2) It is expected that demand for the EBL First Mutual Fund units will always rule over supply.
- 3) Brand name of Eastern Bank Limited and Trustee, ICB's track record in the successful marketing of several mutual funds in the past may motivate investors to invest in this Fund.
- 4) World class investment management team of the RACE Management PCL 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 consistent dividend payment and are comfortable with the risks associated with equity investments should consider investing in the Fund.
- 3) An individual should also consider investing in the Fund if he/she can accept some variability of returns, have a moderate tolerance for risk and are 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 portion of his/her total portfolio into the Fund.

5. FORMATION, MANAGEMENT AND ADMINISTRATION

5.1. SPONSOR OF THE FUND:

Eastern Bank Limited (EBL) is one of the modern, fully online and technologically superior private commercial banks in Bangladesh. It is a second-generation commercial bank with 34 (thirty-four) branches across major cities in Bangladesh. Listed on both Dhaka and Chittagong Stock Exchanges, EBL offers a full range of commercial banking products and services to corporate, middle-market and retail segments. The bank has set up a strong brand image through its superior customer service, innovative products and services at competitive prices and maximum technology utilization.

EBL is the first commercial bank in Bangladesh to be sponsoring a mutual fund. Considering the strong financial performance of the Bank along with its brand image, EBL First Mutual Fund would be considered as a milestone in the history of the country's Mutual Fund industry. Using its experienced world-class investment management process and professionals, EBL First Mutual Fund aims to invest in the capital market using a research-driven decision-making process to earn maximum benefit for its investors. EBL First Mutual Fund will employ a three tiered investment decision process that will combine fundamental, quantitative and qualitative elements giving it an edge over its competitors. With no speculation based investment and razor-sharp focus on research, the Fund is a pioneer in Bangladesh. The development of a research-driven mutual fund industry is extremely crucial in bringing more efficiency and transparency into the country's capital markets.

5.2. TRUSTEE & CUSTODIAN OF THE FUND:

In order to ensure maximum trust and confidence of the investors, supervisory bodies and potential investors in the fund, the Investment Corporation of Bangladesh (ICB) will act as the Trustee and Custodian of the Fund.

The Investment Corporation of Bangladesh (ICB) was established on 01 October 1976, under “The Investment Corporation of Bangladesh” Ordinance, 1976 (No. XL of 1976) to encourage and broaden the base of investment, develop the capital market, mobilize savings, promote and establish subsidiaries for business development and provide for matters ancillary thereto. Over the years, the activities of ICB have grown manifold, particularly in Merchant Banking, Mutual Funds operations and stock brokerage activities. ICB is the biggest investment bank and the harbinger of mutual fund industry in the country. Out of country’s 17 (seventeen) closed-end mutual funds, ICB and its subsidiary manage 13 (thirteen) mutual funds.

As of May 2009, ICB has acted as Trustee to the 11 debenture issuances involving Tk. 155.95 crore, issues of 8 bond issuances involving Tk. 817 crore. ICB also performed the responsibilities of trustee and custodian to 9 closed-end mutual funds of Tk. 475 crore and 2 open-end mutual funds with initial capital of Tk. 40 crore.

5.3. ASSET MANAGER OF THE FUND:

RACE Management PCL (hereinafter RACE) will act as the Asset Manager of the Fund. RACE was formed in March 2008 under the Companies Act 1994 with a view to making investments through research and risk management; the company received an Asset Management license in September 2008 after fulfilling rigorous due diligence requirements of the SEC.

The RACE Team: With over 20 professionals, the RACE team consists of (1) Senior Bangladeshi investment professionals who have world-class training and over a decade of experience in investment management and research in some of the worlds’ most developed capital markets; (2) Senior Bangladeshi professionals from the local banking and financial services industry with strong operational experience and an extensive contact base among the local business community; (3) a cadre of young professionals who have gained unique insights into the local capital markets through the application of sophisticated investment techniques and on-the-ground research.

Investment Process: A Team Approach

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

- **Fundamental Analysis Team:** concentrates on macroeconomic, industry and company specific research analysis. This team combines world-class valuation techniques, forensic accounting, as well as market information flows.
- **Quantitative Research Team:** provides technical analysis that captures the movement in the market indexes and individual stocks to provide buy-sell signals. These include Trend Analysis, Moving Average (MA), and Relative Strength Index (RSI), Moving Average Convergence-Divergence (MACD) as well as a dynamic trading algorithm.
- **Risk Analysis Team:** analyzes and monitors the various risks at the portfolio level. The main task of the team is to diversify the unsystematic risks from the portfolio and preserve our clients’ wealth.

5.4. AUDITORS:

The Trustee, ICB 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 oldest audit firms of the country and is associated with world-renowned Deloitte Touche Tohmatsu.

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

5.5. LIMITATION OF EXPENSES:

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

5.6. 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 (one hundred) crore, RACE has estimated the normal annual operating expenses of the Fund, which will not exceed 5% 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 | : 0.60 per cent |
| 2. Formation Fee Payable to AMC | : 1.00 percent |
| 3. Printing & Publication | : 0.40 per cent |
| 3. Legal Expenses (Listing Fees, registration Fees etc.) | : 1.60 per cent |
| 4. Other expenses | : 0.60 per cent |
| Total | : 4.20 per cent |

- 2) **Management Fee:** As per সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউসিআল 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. 50,000,000 (Taka fifty million) and @ 2.00% per annum for additional amount of the weekly average NAV above Tk 50,000,000 (taka fifty million) up to Tk. 250,000,000 (Taka two hundred and fifty million) and @ 1.50% per annum for additional amount of the weekly average NAV above Tk 250,000,000 (Taka two hundred and fifty million) upto to Tk 500,000,000 (Taka five hundred million) and @ 1.00% per annum for additional amount of the weekly average NAV over Tk. 500,000,000 (Taka five hundred million) accrued and payable half yearly.

Initially, total management fee for EBL First Mutual Fund will be 1.575% assuming Tk. 100 (one hundred) crore fund size.

- 3) **Trustee Fee:** The Fund shall pay an annual trusteeship fee of Tk. 10,00,000 (Ten lac) only payable semi-annually during the life of the Fund.
- 4) **Custodian Fee:** The Fund shall pay to the custodian i.e. ICB for safekeeping of securities @ 0.10 per cent of balance securities calculated on the average month end value per annum.
- 5) **CDBL Fee:** For listing with the Central Depository of Bangladesh Limited (CDBL) there are both initial and recurring expenses. An amount of Tk. 500,000 (Taka five lac) as security deposit shall be kept with the CDBL without interest during the whole life of the Fund, while an IPO fee of Tk. 250,000 (Taka two lac 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 (Taka one lac). Documentation Fee is Tk.2,500 (Taka twenty-five hundred).

- 6) **Fund Registration and Annual Fee:** The Fund has paid Tk. 20,00,000 (twenty lac, 0.20%) to the Securities and Exchange Commission (SEC) as registration fee. In addition to that the Fund will have to pay Tk. 10,00,000.00 (Ten lac) (at the rate of Tk 0.10% of the fund size)only per annum as annual fee in terms of the *সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (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. 30,000.00 (thirty thousand) only for the first year and Trustee will fix fees for subsequent years.

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

6.1. ISSUE OF UNITS

The paid-up capital of the Fund shall be Tk. 100,00,00,000.00 (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* | 2,00,00,000 | 10.00 | 20,00,00,000.00 | Subscribed |
| Pre-IPO Placement* | 6,00,00,000 | 10.00 | 60,00,00,000.00 | Subscribed |
| Resident Bangladeshis | 1,60,00,000 | 10.00 | 16,00,00,000.00 | Yet to be subscribed |
| Non-Resident Bangladeshis (NRB's) | 20,00,000 | 10.00 | 2,00,00,000.00 | Yet to be subscribed |
| Reserved for Mutual Funds | 20,00,000 | 10.00 | 2,00,00,000.00 | Yet to be subscribed |
| Total | 10,00,00,000 | 10.00 | 100,00,00,000.00 | |

* As per *সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১*, investors in mutual funds are not subject to statutory lock-in. However, in order to preserve the long-term stability of their investments, and depending on their investment horizon and objectives, a number of institutional investors in the Fund have voluntarily agreed to lock-in their investments for a 1-year period which will be effective from the date of publication of prospectus.

The complete list of all institutional investors who have voluntarily accepted lock-in:

| Institution | Amount (Tk.) | Units | Lock-in Tenure |
|------------------------|--------------|------------|----------------|
| Eastern Bank Limited | 200,000,000 | 20,000,000 | 1 year |
| Eastern Bank Limited** | 20,000,000 | 2,000,000 | 10 years |
| ICB AMCL | 35,000,000 | 3,500,000 | 1 year |
| AIMS of Bangladesh | 17,500,000 | 1,750,000 | 1 year |
| Frontier Funds Limited | 20,000,000 | 2,000,000 | 1 year |
| Agrani Insurance | 8,000,000 | 800,000 | 1 year |

**1/10th of the Sponsor's contribution (Tk. 20 crore) amounting to Tk. 2 crore has been kept under voluntary lock-in for a period of 10 years.

6.2. PRE-IPO PLACEMENT

1) Subscription from sponsor

Eastern Bank Limited, the Sponsor, has already subscribed Tk. 20,00,00,000.00 for 2,00,00,000 units of Tk. 10.00 each at par as per Rule 9 of the *সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১*.

2) Pre-IPO placement has been subscribed Tk. 60,00,00,000/- (sixty crore) for 600,00,000 (six core) units with each unit worth Tk. 10.00 (Taka ten) at par:

3) Public Offer:

10% of the Public Offer i.e. 20,00,000 units of Tk. 10 each totaling Tk. 2,00,00,000 are being offered to the non-resident Bangladeshis (NRBs), 10% i.e. 20,00,000 units of Tk. 10 each totaling Tk. 2,00,00,000 are being reserved for Mutual Funds and the remaining 1,60,00,000 units of Tk. 10 each amounting to Tk. 160,00,00,000 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 the 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, ২০০৯*. 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 this Fund will easily be encashable.

6.5. BENEFICIAL INTEREST:

- 1) 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: All the unit holders of the Fund shall have the right to receive the Annual Report & Audited Accounts of the Fund. Moreover, NAV of the Fund will be informed to the unit holders on a quarterly basis through DSE/CSE and newspaper(s).
- 3) Accounts and Information: The Fund's financial year will be closed on June 30 every 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, ২০০৯* 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 the DSE and CSE by the Asset Management Company.

6.6. 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.

| | |
|--------------------------------------|----------------|
| Investment Corporation of Bangladesh | Trust Bank |
| Dhaka Bank | Southeast Bank |
| Eastern Bank | City Bank |
| NCC Bank | IFIC Bank |
| Standard Chartered Bank | National Bank |



EBL FIRST MUTUAL FUND



Otherwise, refund will be made only 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 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 bank and branch shall be clearly indicated in the units application form.

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
EBL FIRST MUTUAL FUND

APPLICATION FOR UNITS BY INVESTORS OTHER THAN NON RESIDENT BANGLADESHI(S)

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

RACE Management PCL
Corporate Office
Akram Tower, Suite 03,
199 Shaheed Syed Nazrul Islam Sarani
(Old : 15/5 Bijoy Nagar), Dhaka-1000

Banker's SL No.

(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 my/our name(s) on the Register of Member(s) of the Fund and deposit the said units to my/our Depository (BO) Account and/or a crossed (A/C Payee Only) cheque in respect of any Application money refundable by post/courier at my/our risk to the first applicant's address stated below:

- 1. Number of Units of Tk 10/- each at par.
2. Amount of Tk (in figure) Taka (in words) only deposited via Cash/Cheque/Draft/Pay Order No. date, 2009 drawn on Bank, Branch.
3. Depository (B/O) Account No: [grid]

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

- 4. I/we fully agree to fully abide by the instructions given therein.
5. Particulars of Applicant(s):

Table with applicant details: Sole/First Applicant: Mr. /Mrs/Ms., Father's/Husband's Name, Mothers Name, Postal Address, Occupation, Nationality, Telephone (if any), 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: For refund warrant: Applicant's Bank A/C. No.: Name of the Bank, Branch

Table with second applicant details: Second Applicant: Mr. /Mrs/Ms., Father's/Husband's Name, Mothers Name, Postal Address, Occupation, Nationality

6. I/we hereby declare that I/we have read the Prospectus of EBL First Mutual Fund, and have willingly subscribed for number of Units of Tk.10 each on this form.

7. Specimen Signature(s)

Table with 3 columns: NAME IN BLOCK LETTERS, SIGNATURE. Rows for 1. Sole/First Applicant and 2. Second Applicant

BANKER'S ACKNOWLEDGEMENT

Certified that this Bank has received Tk (in word) only from Mr./Mrs./Ms. being the application money for number of ordinary units of EBL FIRST MUTUAL FUND.

Seal and Date

Banker's SL No.

Authorized Signature (Name & Designation)

EBL FIRST MUTUAL FUND
Instructions

1. As per provision of ডিপজিটরি আইন, ১৯৯৯ and Regulations made there under Mutual Fund units will only be issued in dematerialized condition. Please mention your Depository (BO) account number on the application form. If you do not mention your valid Depository (BO) account number, your application will be treated invalid.
2. All information must be typed or written in full (in block letters) in English or in Bengali and must NOT be abbreviated.
3. Application must be made on the Fund's printed form/photocopy or typed copy/hand written form thereof.
4. Application must not be for less than **500** units and must be for a multiple of **500** units. Any application not meeting this criterion will not be considered for allotment purpose.
5. Remittance for the full amount of units must accompany each application and must be forwarded to any of the Bankers to the Issue. Remittance should be in the form of cash/cheque/bank draft/pay order payable to one of the Bankers to the Issue A/C "**EBL FIRST MUTUAL FUND**" and crossed "**A/C PAYEE ONLY**" and must be drawn on a bank in the same town as the bank to which the application form has been sent.
6. In the case of a Joint Application Form, the Allotment Letter will be dispatched to the person whose name appears first on this Application Form and where any amount is refundable in whole or in part the same will be refunded by Account Payee cheque by post/courier service to the person named first on this Application Form in the manner prescribed in the prospectus.
7. Joint Application form for more than two persons will not be accepted. In case of joint application, each party must sign the Application Form.
8. Application must be in full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Application from financial and market intermediary companies and Private Company must be accompanied by Memorandum and Articles of Association and Certificate of Incorporation.
9. **An applicant can NOT submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, whole or part of application money may be forfeited by the Commission.**
10. No receipt will be issued for the payment made with the Application, but the bankers will issue a provisional acknowledgement to the issue for application lodged with them.
11. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their Unit Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their Unit Application Forms. Otherwise, refund will be made only through "**Account Payee**" cheque(s) / refund warrant(s) showing bank account number and name of bank and branch as mentioned in the application payable at **Dhaka/Chittagong/Khulna/Rajshahi/Barisal/Sylhet/Bogra**, as the case may be.
12. Allotment shall be made solely in accordance with the instructions of the SEC.
13. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the Application liable to rejection and subject to forfeiture of Application money and/or forfeiture of the unit before or after issuance of the same by the Asset Management Company. The said forfeited Application money or unit will be deposited in account specified by the SEC. This may be in addition to any other penalties as may be provided for by law.
14. Applications, which do not meet the above requirements, or Applications, which are incomplete, shall NOT be considered for allotment purpose.
15. The bankers to the issue shall be obliged to receive the A/C payee cheque (s) on the closing day of the subscription of the PUBLIC OFFER.
16. **No sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until 25 (twenty five) days after the prospectus has been published.**

BANKERS TO THE ISSUE

| | | |
|---|--|---|
| <p>Investment Corporation of Bangladesh (ICB)</p> <ol style="list-style-type: none"> 1. Head Office, NSC Tower, Dhaka 2. Local Office, Nayapalton, Dhaka 3. Chittagong Branch, Agrabad, Chittagong 4. Rajshahi Branch, Shaheb Bazar, Rajshahi 5. Khulna Branch, Shilpa bank Bhaban, Khulna 6. Barisal Branch, Hemahyet Uddin Road, Barisal 7. Sylhet Branch, Jail Road, Sylhet 8. Bogra Branch, Baragola, Bogra <p>Dhaka Bank</p> <ol style="list-style-type: none"> 1. Local Office, Motijheel, Dhaka 2. Uttara Branch, Dhaka 3. Bangshal Branch Dhaka 4. Foreign Exchange Branch, Motijheel, Dhaka 5. Amin Bazar Branch, Savar, Dhaka 6. Imamgonj Branch, Dhaka 7. Dhanmondi Branch, Dhaka 8. Islami Banking Branch, Motijheel, Dhaka 9. Islampur Branch Dhaka 10. Karwanbazar Branch, Dhaka 11. Banani Branch, Dhaka 12. Laldighirpar Branch, Sylhet 13. Narayanganj Branch, Narayanganj 14. Agrabad Branch, Chittagong 15. Jubilee Road branch, Chittagong 16. Khatungonj Branch, Chittagong <p>Eastern Bank</p> <ol style="list-style-type: none"> 1. Principle Branch, Dilkusha, Dhaka 2. Motijheel Branch, Motijheel, Dhaka 3. Mirpur Branch, Dhaka 4. Bashundhara Branch, Dhaka 5. Shamoli Branch, Dhaka 6. Narayanganj Branch 7. Agrabad Branch, Chittagong 8. Khulna Branch 9. Bogra Branch, Bogra 10. Khatunganj Branch, Chittagong 11. Rajshahi Branch, Rajshahi <p>NCC BANK</p> <ol style="list-style-type: none"> 1. Motijheel Main Branch Dhaka 2. Babu Bazar Branch Dhaka 3. Banani Branch Dhaka 4. Bangshal Branch Dhaka 5. Dhanmondi Branch Dhaka 6. Dilkusha Branch Dhaka <p>Standard Chartered Bank</p> <ol style="list-style-type: none"> 1. Motijheel Branch Dhaka 2. Mirpur Branch Dhaka 3. Nasirabad Branch Chittagong 4. Agrabad Branch Chittagong 5. Khulna Branch Khulna 6. Bogra Branch Bogra 7. Sylhet Branch Sylhet <p>Trust Bank Limited</p> <ol style="list-style-type: none"> 1. Principal Branch Dhaka 2. SKB Branch Dhaka 3. Agrabad Branch Chittagong 4. Dhanmondi Branch Dhaka 5. Gulshan Corp. Branch Dhaka 6. Dilkusha Corp. Branch Dhaka 7. Millenium Crop, Branch Dhaka 8. Uttara Corporate Branch, Dhaka 9. Mirpur Branch Dhaka 10. Kawran Bazar Branch Dhaka 11. CDA Avenue Branch Chittagong 12. Sylhet Corporate Branch Sylhet 13. Narayanganj Branch Narayanganj 14. Khulna Branch Khulna 15. Feni Branch Feni 16. Khatunganj Branch Chittagong | <p>Southeast Bank Limited</p> <ol style="list-style-type: none"> 1. Principle Branch, Dhaka 2. Corporate Branch, Dhaka 3. Imamgonj Branch, Dhaka 4. Dhanmondi Branch, Dhaka 5. Uttara Branch, Dhaka 6. Gulshan Branch, Dhaka 7. Kakrail Branch, Dhaka 8. Banani Branch, Dhaka 9. Bangshal Branch, Dhaka 10. New Eskaton Branch, Dhaka 11. Agargaon Branch, Dhaka 12. Motijheel Branch, Dhaka 13. Shaymoli Branch, Dhaka 14. Aganagar Branch, Dhaka 15. Karwan Bazar Branch, Dhaka 16. Ashulia Branch (Rural), Dhaka 17. Narayanganj Branch, Dhaka 18. Savar Branch, Dhaka 19. Mouchak Branch, Dhaka 20. Bandar Bazar Branch, Sylhet 21. Moulvibazar Branch, Sylhet 22. Pathantula Branch, Sylhet 23. Agrabad Branch, Chittagong 24. Khatunganj Branch, Chittagong 25. Jubilee Road Branch, Chittagong 26. Cox's Bazar Branch, Chittagong 27. Khulna Branch, Khulna <p>City Bank</p> <ol style="list-style-type: none"> 1. Principle Office, Dhaka 2. Dhaka Chamber Branch, Dhaka 3. Dhanmondi Branch, Dhaka 4. Foreign Exchange Branch, Dhaka 5. Gulshan Branch, Dhaka 6. Imamgonj Branch, Dhaka 7. Islami Banking Branch, Dhaka 8. Johnson Road Branch, Dhaka 9. Kawran Bazar Branch, Dhaka 10. Mirpur Branch, Dhaka 11. Mouchak Branch, Dhaka 12. New Market Branch, Dhaka 13. Shaymoli Branch, Dhaka 14. Uttara Branch, Dhaka 15. VIP Road Branch, Dhaka 16. Islampur Branch, Dhaka 17. Barisal Branch, Dhaka 18. Tongi Branch, Gazipur 19. Tanbazar Branch, Narayanganj 20. Comilla Branch, Comilla 21. Agrabad Branch, Chittagong 22. Jubilee Road Branch, Chittagong 23. Khatungonj Branch, Chittagong 24. R Nizam Road Branch, Chittagong 25. Bandar Bazar Branch, Sylhet 26. Zinda Bazar Branch, Sylhet 27. Bogra Branch, Bogra 28. Rajshahi Branch, Rajshahi 29. Khulna Branch, Khulna <p>Premier Bank</p> <ol style="list-style-type: none"> 1. Dilkusha Branch Dhaka 2. Gulshan Branch Dhaka 3. Ashugonj Branch Brahmanbaria 4. Kawran Bazar Dhaka 5. Motijheel Branch Dhaka. 6. Dhanmondi Branch Dhaka 7. Uttara Branch Dhaka. 8. Dhaka EPZ, Dhaka. | <p>IFIC BANK</p> <ol style="list-style-type: none"> 1. Federation Branch Motijheel Dhaka 2. Gulshan Branch Dhaka 3. Kawran Bazar Branch Dhaka 4. Uttara Branch Dhaka 5. Pallabi Branch Dhaka 6. Dhanmondi Branch Dhaka 7. Banani Branch Dhaka 8. Shantinagar Branch Dhaka 9. Islampur Branch Dhaka 10. Naya Palton Branch Dhaka 11. Malibagh Branch Dhaka 12. Faridpur Branch Faridpur 13. Narsingdi Branch Narsingdi 14. Agrabad Branch Chittagong 15. Khatunganj Branch Chittagong 16. Cox's Bazar Branch Chittagong 17. Comilla Branch Comilla 18. Rajshahi Branch Rajshahi 19. Bogra Branch Bogra 20. Dinazpur Branch Dinajpur 21. Rangpur Branch Rangpur 22. Pabna Branch Pabna 23. Khulna Branch Khulna 24. Jessore Branch Jessore 25. Kushtia Branch, Kushtia 26. Barisal Branch Barisal <p>National Bank Limited</p> <ol style="list-style-type: none"> 1. Bangshal Road Branch, Dhaka 2. Babubazar Branch, Dhaka 3. Dilkusha Branch, Dhaka 4. Elephant Road Branch, Dhaka 5. Foreign Ex. Branch, Dhaka 6. Gulshan Branch, Dhaka 7. Imamgonj Branch, Dhaka 8. Dhanmondi Branch, Dhaka 9. Kawran Bazar Branch, Dhaka 10. Motijheel Branch, Dhaka 11. Mohakhali Branch, Dhaka 12. Malibagh Branch, Dhaka 13. Mirpur Branch, Dhaka 14. Z H Sikder M. C. Branch, Dhaka 15. Islampur Branch, Dhaka 16. Uttara Branch, Dhaka 17. North Brook Hall Branch, Dhaka 18. Lake Circus Branch, Dhaka 19. Mohammadpur Branch, Dhaka 20. Pragati Sarani Branch, Dhaka 21. Jatrabari Branch, Dhaka 22. Gazipur Branch, Gazipur 23. Savar Bazar Branch, Savar, Dhaka 24. Narayanganj Branch, N'Gonj 25. Pagla Bazar Branch, N'Gonj 26. Sylhet Branch, Sylhet 27. Agrabad Branch, Chittagong 28. Khatunganj Branch, Chittagong 29. Jubilee Road Branch, Chittagong 30. Sheikh Mujib Road Branch, Chittagong 31. Pahartali Branch, Chittagong 32. Narsingdi Branch, Narsingdi 33. Tangail Branch, Tangail 34. Khulna Branch, Khulna 35. Rangpur Branch, Rangpur 36. Bogra Branch, Bogra 37. Rajshahi Branch, Rajshahi 38. Barisal Branch, Barisal 39. Comilla Branch, Comilla |
|---|--|---|



EBL FIRST MUTUAL FUND



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

EBL FIRST MUTUAL FUND

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

RACE Management PCL
Corporate Office
Akram Tower, Suite 3,
199 Shaheed Syed Nazrul Islam Sarani
(Old : 15/5 Bijoy Nagar), Dhaka-1000

(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 my/our name(s) on the Register of Member(s) of the Fund and deposit the said units to my/our Depository (BO) Account and/or a crossed (A/C Payee Only) cheque in respect of any Application money refundable by post/courier at my/our risk to the first applicant's address stated below:

- Number of Units _____ of Tk 10/- each at par.
- Amount of Tk (in figure) _____ Taka (in words) _____ only convertible into US Dollar 1.00 = Tk. _____ and UK Pound Sterling 1.00 = Tk. _____
- Payment by Cheque/Draft/Pay Order No. _____ date _____ 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.

6. Particulars of Applicant(s):

Sole/First Applicant: Mr. /Mrs/Ms.

Father's/Husband's Name:

Mothers Name:

Postal Address:

Nationality

Passport No.

Passport Validity:

Occupation

Date of Birth

Telephone (if any):

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:

For refund warrant: Applicant's Bank A/C. No.:

Name of the Bank:

Branch

Second Applicant: Mr. /Mrs/Ms.

Father's/Husband's Name:

Mothers Name:

Postal Address:

Occupation

Nationality

Passport No

Passport Validity

Date of Birth

Nominee

Name:

Mailing Address:

Telephone (if any):

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

8. Specimen Signature(s)

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

EBL FIRST MUTUAL FUND
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 BO (Beneficiary Owner) Account number in the Application form. If you do not mention your valid BO (Beneficiary Owner) Account, 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 favouring “**EBL First Mutual Fund**” and crossed “**ACCOUNT PAYEE ONLY**”.
5. Application shall be sent by the applicant directly to the RACE Management PCL within **June 25, 2009**, so as to reach the Asset Management Company within **July 4, 2009**. No Application sent after **June 25, 2009** or received by the RACE Management PCL after **July 4, 2009** 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. 2.00 (two) crore** of total public offering shall be reserved for non-resident Bangladeshi (NRB) and **units of Tk. 2.00 (two) crore** for mutual funds and collective investment schemes registered with the Commission, and the remaining units of **Tk. 16.00 (sixteen) crore** shall be open for subscription by the general public.
 - b. All securities/units stated in para (a) shall be offered for subscription and subsequent allotment by the Asset Management Company subject to any restriction which may be imposed from time to time by the Securities and Exchange Commission.
 - c. In case of **over subscription under any of the 3 (three) categories** mentioned in para (a), the Asset Management Company shall conduct an open lottery of all the applications received under each category **separately** in accordance with the SEC’s instructions.
 - d. In case of **under-subscription** under any of the 2 (two) categories [i.e. **units of Tk. 2.00 (two) crore for NRB and units of Tk. 2.00 (two) crore for mutual funds**] mentioned in para (a), the unsubscribed portion shall be added to the **general public category** [units of Tk. 16.00 (sixteen) crore] and, if after such addition, there is over subscription in the general public category, the Asset Management Company shall conduct an open lottery of all the applicants added together.
 - e. The lottery as stated in para (c) and (d) shall be conducted in presence of the authorized representatives of the SEC, stock exchange(s) concerned, Sponsor, Asset Management Company, Trustee and the applicants.
8. Money receipt of clearance of draft or cheque, as the case may be, shall be sent by post to the applicant by the Asset Management Company.
9. Joint application by two persons will be acceptable. In such a case, allotment or refund shall be made by post to the first applicant.
10. Application must be made by an individual, a corporation or company, a trust or a society and not by a firm, minor or persons of unsound mind.
11. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the Application liable to rejection and subject to forfeiture of Application money.
12. The intending NRB applicants shall deposit unit money by US \$ /UK Pound sterling /Euro draft drawn on and payable in Dhaka, Bangladesh, or through a nominee by paying out of foreign currency deposit account or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, so that the Asset Management Company collecting bank can clear the proceeds and deposit the same into Asset Management Company’s bank account in time.
13. Spot buying rate (TT Clean) in US Dollar, UK Pound Sterling and Euro of Sonali Bank Ltd. as prevalent on the date of opening of subscription will be applicable for the Non-Resident Bangladeshi (NRB) applicants.
14. **The applicant shall furnish photocopies of relevant pages of valid passport(s) in support of his being a NRB, dual citizenship or of the foreign passport bearing an endorsement from the concerned Bangladeshi Embassy to the effect that no visa is required for him to travel to Bangladesh.**
15. In case of joint NRB application, joint applicant shall also submit supporting papers/documents in support of their being an NRB as mentioned in para-14 above.
16. In the case of non-allotment of securities, if the applicants’ bank accounts as mentioned in their Unit Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their Unit Application Forms. Otherwise, refund will be made only through “**Account Payee**” cheque(s) / refund warrant(s) showing bank account number and name of bank and branch as mentioned in the application payable at Dhaka as the case may be.
17. **An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, whole or part of application money may be forfeited by the Commission.**
18. No sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until 25 (twenty five) days after the prospectus has been published.

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