



First Bangladesh Fixed Income Fund

# PROSPECTUS

For

(Abridged Version)

## First Bangladesh Fixed Income Fund

“Promoting the Development of our Fixed Income Market”

**SIZE OF THE FUND:** Tk. 500 crore divided into 500,000,000 units at par value of Tk. 10 each

**SPONSOR'S CONTRIBUTION:** 200,000,000 Units of Tk. 10 each at par for Tk. 200 crores

**PRE IPO PLACEMENT:** 50,000,000 Units of Tk. 10 each at par for Tk. 50 crores

**PUBLIC OFFER:** 250,000,000 Units of Tk. 10 each at par for Tk. 250 crores

**RESERVED FOR MUTUAL FUNDS:** 25,000,000 Units of Tk. 10 each at par for Tk. 25 crore

**NON RESIDENT BANGLADESHIS:** 25,000,000 Units of Tk. 10 each at par for Tk. 25 crore

**RESIDENT BANGLADESHIS:** 200,000,000 Units of Tk. 10 each at par for Tk. 200 crores

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.

This Special Purpose Investment Fund has been formed under the broader legal framework and relevant Rules of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউসিআল ফান্ড) বিধিমালা ২০০১ (as amended till the filing of the Prospectus of the Fund) as applicable for the Fund and approved by the SEC.

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

**SPONSOR :**

**Eastern Bank Limited (EBL)**

**ICB Unit Fund**

**Janata Bank Limited**

**Sonali Bank Limited**

**TRUSTEE:**

**Investment Corporation of Bangladesh**

**CUSTODIAN:**

**Investment Corporation of Bangladesh**

**ASSET MANAGEMENT COMPANY:**

**RACE Management PCL**

**Subscription**

**Subscription opens: October 16, 2011**

**For Non-Resident Bangladeshis**

**Subscription closes: October 20, 2011**

**Subscription closes on October 29, 2011**

**Date of Publication of Prospectus: September 14, 2011**



First Bangladesh Fixed Income Fund

## Highlights

<b>1. Fund Name:</b>	First Bangladesh Fixed Income Fund
<b>2. Size of the Fund:</b>	Tk. 500 crore divided into 500,000,000 units at par value of Tk. 10.00 each.
<b>3. Face Value:</b>	Tk. 10.00 per unit.
<b>4. Nature:</b>	Special Purpose Investment Fund with a tenure of 10 years
<b>5. Objective:</b>	The Fund will target 15-20% annual returns backed by the stability of fixed income stream from Fixed Income Instruments and boosted by selective investments in equity and hybrid instruments.  The Fund's special objective includes development of the Bangladesh Bond Market by improving the demand side, promoting research based investing and becoming a captive buyer in the nascent fixed income market in Bangladesh.
<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 Policy:</b>	Minimum 70% income of the Fund will be distributed as dividends in Bangladeshi Taka only at the end of each accounting year. The Fund shall create a dividend equalization reserve fund to ensure consistency in dividend.
<b>8. Mode 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 easily be encashable.
<b>11. Report &amp; Accounts:</b>	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

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*Investing in the FIRST BANGLADESH FIXED INCOME 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 similar investment funds, an investment in the Fund is not insured or guaranteed by the Government of Bangladesh or any other government agency.
2. **Market Price Risk:** The Units of the Fund will be listed in the DSE and CSE. The Fund may lose its value or experience a substantial loss in its investments due to such market volatility as the Unit Price may fluctuate because of the interplay of the various market forces that may affect a single issuer, industry or the market as a whole.
3. **NAV Risk:** Stock market, Fixed Income market and Money market trends show that prices of many listed securities, Fixed Income and Money market instruments move in unpredictable directions, which may affect the value of the Fund's portfolio. Depending on its exposure to such securities and instruments, the net asset value of units issued under this Fund can go up or down depending on various factors and forces affecting the capital markets. Moreover, there is no guarantee that the market price of the Fund's units will fully reflect the underlying asset value of the Fund.
4. **Issuer Risk:** In addition to market and price risk, value of an individual security, Fixed Income and Money market instruments 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 and/or between different fixed income/equity securities, if and when required. In addition, limited availability of money market instruments in the market implies that there are limited opportunities for short term or temporary investments for the Fund.
6. **Lack of Diversification Risk:** Due to small numbers of listed securities in both the Stock Exchanges, small number of listed and unlisted Fixed Income and Money market instruments, 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, Fixed Income and Money market instruments 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 as per Rule 10 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউসিআইসি) বিধিমালা ২০০১ made thereunder and also received approval for issuing prospectus for public offering. A complete copy of the prospectus of the public offering is available for public inspection at the registered office of the Fund.

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

“APPROVAL OF THE SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THE FUND UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969 AND RULE 10 OF THE সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউসিআইসি) বিধিমালা ২০০১. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS APPROVAL THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE FUND, ANY OF ITS SCHEMES OR THE ISSUE PRICE OF ITS UNITS OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ASSET MANAGER, TRUSTEE, SPONSOR AND/OR CUSTODIAN.”

### 1.3. LISTING OF FUND:

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

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

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

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

### 1.4. DOCUMENTS AVAILABLE FOR INSPECTION:

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

## 1.5. CONDITIONS OF THE PUBLIC OFFER (PO):

### PART-A

1. The Fund shall make Public Offer (PO) for 250,000,000 (Twenty-five crore) units of Taka 10/- each at par worth Taka 250.00 (Two Hundred and Fifty crore) only following সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউসিআইসি) বিধিমালা ২০০১, the Securities and Exchange Commission (Public Issue) Rules, 2006, the ডিপজিটরি আইন, ১৯৯৯ and regulations issued thereunder.
2. The prospectus/abridged version of the prospectus as vetted by SEC, shall be published in two widely circulated national daily newspapers (Bangla and English) within **10 (Ten) days** of receipt of the approval letter. Provided that information relating to publication of prospectus in the form of advertisement be published in two national daily newspapers (Bangla and English).
3. Sufficient copies of the prospectus shall be made available by the Asset Management Company so that any person requesting a copy may receive one. A notice shall be placed on the front of the application form distributed in connection with the offering, informing that interested persons are entitled to a prospectus, if they so desire, and that copies of prospectuses may be obtained from the Asset Management Company. The subscription application shall indicate in bold type that no sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until **25 (twenty five) days** after the prospectus has been published.
4. The Asset Management Company shall ensure transmission of the prospectus and relevant application forms for NRBs through e-mail, simultaneously of publication of the prospectus, to the Bangladesh Embassies and Missions abroad, as mentioned in the prospectus, and shall also ensure sending of the printed prospectus and application forms to the said Embassies and Missions within **5 (five) working days** of the publication date by express mail service (EMS) of the postal department. A compliance report shall be submitted in this respect to the SEC by the Asset Management Company within **3 (three) working days** from the date of said dispatch of the prospectus and the forms.
5. The paper clipping of the published prospectus/abridged version of the prospectus and all other published documents/notices regarding the Fund shall be submitted to the Commission within **24 (twenty four) hours** of publication thereof.
6. The Asset Management Company shall submit **40 (forty) copies** of the printed prospectus, along with a diskette/CD prepared in “MS WORD” containing the prospectus and its abridged version, as vetted by SEC, to the Securities and Exchange Commission for official record within **5 (five) working days** from the date of publication of the prospectus in the newspaper.
7. The Asset Management Company shall maintain a separate bank account for collecting proceeds of the Public Offering and shall also open FC account(s) to deposit the application money of the Non-Resident 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 above mentioned time period will not be considered for allotment purpose.
  10. The Asset Management Company shall apply the spot buying rate (TT clean) in US \$, UK Pound Sterling and Euro of Sonali Bank Ltd. as prevailed on the date of opening of the subscription for the purpose of application of the NRBs.
  11. **A non-resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking “Account Payee only”. Application shall be sent by the NRB applicants to Asset Management Company within the closing date of the subscription so as to reach the same to the company by the closing date plus 9 (Nine) days. Applications received by the company after the above time period will not be considered for allotment purpose.**
  12. The Asset Management Company shall ensure prompt collection/clearance of the foreign remittances of NRBs for allotment of units without any difficulty/complaint.
  13. The Asset Management Company shall provide SEC with the preliminary status of the subscription within **5 (five) working days** from closure of the subscription date, and also the list of valid and invalid applicants (i.e. final status of subscription) in 2 (two) CDs to the Commission within **3 (three) weeks** after the closure of the subscription date including bank statement (original) and branch-wise subscription statement. The final list of valid and invalid applicants shall be finalized after examining with the CDBL in respect to BO accounts and particulars thereof. The public offering shall stand **cancelled** and the application money shall be refunded immediately {but not later than **5 (five) weeks** from the date of the subscription closure} if any of the following events occur:
    - a) **Upon closing of the subscription list it is found that the total number of valid applications is less than the minimum requirement as specified in the listing regulations of the Stock Exchange(s) concerned; or**
    - b) **At least 60% (i.e. Tk. 300.00 crore) of the targeted amount (i.e. Tk. 500.00 crore) under বিধি, ৪৮ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউইআল ফান্ড) বিধিমালা ২০০৯, is not subscribed.**
  14. **Public Offer distribution system:**
    - a) **Units of Tk. 25 crore (Twenty Five crore )** only of total public offering shall be reserved for non-resident Bangladeshi (NRB) and units of **Tk. 25 crore (Twenty Five crore )** only for mutual funds and collective investment schemes registered

- with the Commission, and the remaining units of **Tk. 200.00 (Two Hundred) 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. 25 crore (Twenty Five crore) for NRB and units of Tk. 25 crore (Twenty Five crore) for mutual funds] mentioned in para (a), the unsubscribed portion shall be added to the general public category [units of Tk. 200.00 (Two Hundred) crore] and, if after such addition, there is over subscription in the general public category, the Asset Management Company shall conduct an open lottery of all the applicants added together.
  - e) The lottery as stated in para (c) and (d) shall be conducted in presence of authorized representatives from the SEC, Stock Exchange(s) concerned, Sponsor, Asset Management Company, Trustee and the applicants.
15. Upon completion of the period of subscription for securities the Asset Management Company shall provide the Commission and the Stock Exchange(s) with the preliminary status of the subscription within **5 (five) working days**, in respect of the following matters, namely:-
    - a) Total number of securities for which subscription has been received;
    - b) Amount received from the subscription; and
    - c) Amount of commission paid to the Bankers to the issue.
  16. The Asset Management Company shall issue unit allotment letters to all successful applicants within **5 (five) weeks** from the date of the subscription closing date. Within the same time, refund to the unsuccessful applicants shall be made in the currency in which the value of units was paid for by the applicant's without any interest and refunded to the respective banks for onward deposit of the refund money into the applications banks accounts provided in the respective application form for subscription.

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

- case of over-subscription under any of the categories mentioned here in above, the issuer and the issue manager shall jointly conduct an open lottery of all the applications received under each category separately in presence of representatives from the SEC, Stock Exchange(s), Sponsor, Asset Management Company, Trustee and the applicants, if there be any.
19. An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case, an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, whole or part of application money may be forfeited by the Commission.
  20. Lottery (if applicable) will be held within 4 (four) weeks from closure of the subscription date.
  21. The Asset Management Company shall furnish the List of Allotees to the Commission and the Stock Exchange(s) simultaneously in which the units will be listed, within 24 (twenty four) hours of allotment.
  22. Unit Certificates for 100% of the Sponsor's contribution amounting to Tk. 200,00,00,000.00 (Two Hundred crore) shall be subject to a lock-in period for 1 (one) year from the date of listing in the Stock Exchange(s) and 1/10<sup>th</sup> of the Sponsor's contribution amounting to Tk. 20,00,00,000.00 (Twenty crore) shall be subject to lock-in period of full time of the fund.
  23. All Pre-IPO placement will be in 1 (one) year lock-in period from the date of listing of the fund.
  24. If the Asset Management Company fails to collect the minimum 60% of the targeted amount under বিধি, ৪৮ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউসিআল ফান্ড) বিধিমালা 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.
  25. In case of oversubscription, the excess amount shall be refunded within 5 (five) weeks from the closure of subscription period, failing which the Asset Management Company will refund the same with an interest @ 18 percent per annum from its own account within the next month.
  26. The Asset Management Company shall publish a notice through the newspaper to all successful applicants within 5 (five) weeks from the closing of subscription for collection of allotment letters.
  27. The Asset Management Company shall apply for listing of the Fund with Stock Exchange(s) within 7 (seven) working days of first publication of the prospectus.
  28. **Declaration about Listing of Fund with the Stock Exchange(s):**  
“None of the Stock Exchange(s), if for any reason, grants listing within 75 (seventy five) days from the closure of subscription, any allotment in terms of this prospectus shall be void and the Asset Management Company shall refund the subscription money within fifteen days from the date of refusal for listing by the Stock Exchange(s), or from the date of expiry of the said 75 (seventy five) days, as the case may be.  
In case of non-refund of the subscription money within the aforesaid fifteen days, The Asset Management Company, in addition to the Sponsor and Trustee, shall be

- collectively and severally liable for refund of the subscription money with interest @ of 2% (two percent) per month above the bank rate to the subscribers concerned.
- The Asset Management Company, in addition to the Sponsor and Trustee shall ensure due compliance of the abovementioned conditions and shall submit compliance report thereon to the Commission within seven days of expiry of the aforesaid 15 (fifteen) days time period allowed for refund of the subscription money.”
29. Letter informing allotment shall be issued within 5 (five) weeks from the closure of subscription.
  30. The Scheme shall maintain escrow bank account for the proceeds of the public offering. The Fund collected through public offering shall not be utilized prior to the allotment and shall be affected through banking channel i.e., through account payee cheque, pay order, bank draft etc.
  31. The Fund shall not be involved in option trading, short selling or carry forward transactions.
  32. The annual report or its abridged version of the Scheme shall be published within 45 (forty-five) days of the closure of each accounting year of the Fund.
  33. An annual report and details of investment and savings of the Scheme shall be submitted to the Commission, Trustee and Custodian of the Scheme within 90 (ninety) days from the closure of the accounts.
  34. Half-yearly accounts/financial results of the Fund shall be submitted to the Commission and the Stock Exchanges and published in at least one widely circulated Bangla national daily newspaper within 30 (thirty) days from end of the period.
  35. Dividend shall be paid within 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, 60 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউসিআল ফান্ড) বিধিমালা ২০০১.
  37. SEC may appoint auditors for special audit/investigation on the affairs of the Fund, if it so desires.

## PART –B

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

prospectus/abridged version of the prospectus is a verbatim copy of the prospectus vetted by the Commission.

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

#### PART-C

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

#### PART-D

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

#### PART-E

##### General Information:

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

#### 1.6. SUBSCRIPTION:

Subscription to the First Bangladesh Fixed Income Fund will commence at the opening of banking business on **October 16, 2011** and will be closed at the end of the banking business on **October 20, 2011**.

#### 1.7. DECLARATIONS:

##### Declarations about the responsibility of the Sponsor

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

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

Sd/-

Ali Reza Iftekhar

Managing Director and CEO

Eastern Bank Limited

S.M Aminur Rahman

Managing Director and CEO

Janata Bank Ltd

Sd/-

M Fayekuzzaman

Managing Director

ICB Unit Fund

Md. Humayun Kabir

Managing Director and CEO

Sonali Bank Ltd

##### Declaration about the responsibility of the Asset Management Company

The Prospectus of First Bangladesh Fixed Income Fund has been prepared by us based on the following:

- I. Trust Deed and the Investment Management Agreement of the Fund
- II. The Securities and Exchange Commission (Public Issue) Rules, 2006,
- III. The broader legal framework and relevant Rules of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউইসিআল ফাড) বিধিমালা ২০০৬, as applicable for the Fund and approved by the SEC
- IV. The ডিপজিটরি আইন ১৯৯৯,
- V. Other related agreement & examination of other documents as relevant and as applicable for adequate disclosure of the Fund's objectives and investment strategies to the investors.

We also confirm that:

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



## *First Bangladesh Fixed Income Fund*

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, Fixed Income and Money market investments, only investors who are willing to accept and bear the appropriate 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/-  
Hasan Imam PhD  
CEO & Managing Director  
RACE Management PCL

### **Declaration about the responsibility of the Trustee**

We, as Trustee of the First Bangladesh Fixed Income Fund, accept the responsibility and confirm that we shall:

- a) Be the guardian of the Fund, held in trust for the benefit of the unit holders in accordance with the Rules & Trust Deed;
- b) Always act in the interest of the unit holders;
- c) Take all reasonable care to ensure that the Fund floated and managed by the Asset Management Company are in accordance with the Trust Deed and the Rules;
- d) Make such disclosure by the Asset Management Company to the investors as are essential in order to keep them informed about any information, which may have any bearing on their investments;
- e) Take such remedial steps as are necessary to rectify the situation where they have reason to believe that the conduct of business of the Fund is not in conformity with the relevant Rules.

Sd/-  
Md Abdul Hoque  
Assistant General Manager  
Investment Corporation of Bangladesh

### **Declaration about the responsibility of the Custodian**

We, as Custodian of the First Bangladesh Fixed Income 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



## *First Bangladesh Fixed Income Fund*

Fund as per Rules.

Sd/-  
Md Abdul Hoque  
Assistant General Manager  
Investment Corporation of Bangladesh

## 2. BACKGROUND

### 2.1. WHY DOES BANGLADESH NEED THE FIRST BANGLADESH FIXED INCOME FUND:

The First Bangladesh Fixed Income Fund is a unique Fund and the first of its kind in Bangladesh. Sponsored by both the public and private sector institutions, this Special Purpose Investment Fund has two broad objectives: develop Bangladesh's Fixed Income Market and help maintain stability in financial markets during periods of stress.

**First Objective: Develop Bangladesh's nascent Fixed Income Market.** In most developed and emerging economies, the Fixed Income plays a vital role in driving the growth and maintaining the stability of the overall economy and financial markets. Historical studies of these Fixed Income markets reveal that both the government and private sector have collaborated over the years to bring about this development and that specialized investment funds have played a pivotal role. Such Funds come in a large variety, but all are structured by pooling assets from the coffers of the government, private institutions and/or retail investors, and then invested by professional Asset Management Companies to expand the Fixed Income market. It is with this goal of promoting the size and efficiency of Bangladesh's under-developed Fixed Income market that RACE Management PCL conceived of the First Bangladesh Fixed Income Fund which has since received the support of both public and private sector institutions.

**Second Objective: Play a stabilizing role during periods of stress in financial markets.** As recent trends have demonstrated, a retail-investor driven listed equity market, like Bangladesh's, can often over-react during periods of stress. While share market corrections are desirable, and necessary, a market "crash" is undesirable and can be harmful for the stability of the overall economy and financial markets. In order to dampen the harmful impacts of a stock market "crash", and bring back investor confidence, institutional funds of large size can play a constructive role. By investing a portion of the Sponsor's capital during periods of unusual stress, the First Bangladesh Fixed Income Fund is already playing such a responsible role.

Some of the other benefits of the First Bangladesh Fixed Income Fund are:

1. ***A dedicated Fixed Income Fund will give retail investors access to privately-placed corporate bond issues.*** While retail investors today cannot easily access privately placed corporate bonds and other fixed income issues with attractive yields, they can buy shares of the First Bangladesh Fixed Income Fund in the listed market. Since the Fund, given its size and institutional status, will be able to access the various Fixed Income instruments, it can pass on the interest income and capital gains from trading fixed income instruments to retail investors.
2. ***Make the Fixed Income Market more efficient through research based investing.*** When run by a professional Asset Management Company with in-house Fixed Income research expertise, the Fund can evaluate the true value of listed and privately-placed Bonds and other hybrid fixed income instruments and take advantage of any mispricing opportunity. By serving this very valuable function, a properly managed Fixed Income Fund can make the listed and the unlisted Bond Market more efficient. The investors will be able to save transaction costs as he/she has access to a large number of securities by purchasing a single unit of First Bangladesh Fixed Income Fund.

3. ***Provide liquidity and play the role of a Market Maker.*** A Fixed Income Fund of sufficient size can provide much needed liquidity in the listed and unlisted Fixed Income Market. By standing ready to buy Fixed Income issues in the secondary market when a seller wants to offload its holdings, and by selling from the Fixed Income Fund inventory when there is excess demand in the market, the Fixed Income Fund can enhance liquidity in the Bond Market and thereby play the role of a Market Maker. Over time, with multiple schemes launched, the Asset Management Company managing such funds can become the de-facto Market Maker. In the long-run, as the Market increases in size and depth, such a role can be formalized in terms of a Bond Exchange.
4. ***Provide capital for infrastructure building.*** Today the Bangladesh Government is embarking on its Vision 2021, with a key pre-requisite being the development of the country's infrastructure. Such projects require massive funding and long-term financing. A Fixed Income Fund of size can play a vital role in using its assets under management to buy such Infrastructure Bonds and help in the country's overall development.

***The First Bangladesh Fixed Income Fund, a unique and first-of-its kind Special Purpose Investment Fund, will assist in maintaining the stability of Bangladesh's financial markets and aid in the development of our Fixed Income Market.***

### 2.2. ADVANTAGES IN INVESTING IN FIRST BANGLADESH FIXED INCOME FUND:

Generally, investment in a dedicated Fixed Income Fund enjoys additional advantages compared to investments made in individual fixed income securities. These additional benefits of investing in the Fund include:

- The Fund will give Investors the opportunity to enjoy attractive returns of Fixed Income instruments without the typical illiquidity of such instruments in Bangladesh.
- Contribute to Bangladesh Government's mandate to stabilize the share market during times of crisis;
- Contribute to Bangladesh Government's stated objective to develop the Fixed Income Market and create a thriving alternative to the share market;
- The First Bangladesh Fixed Income Fund will provide investors access to extensive local research and investment experience. The Fund Manager, RACE Management PCL has developed deep insight into the dynamics of the Bangladeshi Fixed Income and Equity Market which will be instrumental for the successful management of the Fund
- 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 the day-to-day management of individual investment portfolio. In fact, management of the First Bangladesh Fixed Income Fund will require 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.

- The investors will be able to save transaction costs as he/she will have access to a larger number of securities by purchasing a single unit of First Bangladesh Fixed Income Fund
- Management and operation of the First Bangladesh Fixed Income Fund will be subject to strict regulations from the SEC and the Fund Trustee, ICB. The Trust Deed of the Fund requires exhaustive disclosure to the Regulator and General Public and as such, the Fund's operation and performance will be highly transparent.
- The Fund will enjoy 10% reserved quota in all Initial Public Offering (IPO). Given the lack of supply of high-quality scrips in the Bangladeshi stock market, IPOs have historically outperformed the general Bangladesh market index significantly and therefore will positively impact the performance of the Fund.

### 2.3. THE CONSTITUTION OF THE FUND:

**First Bangladesh Fixed Income Fund** has been constituted as a Special Purpose Investment Fund through a Trust Deed entered into between Eastern Bank Limited, ICB Unit Fund, Janata Bank Ltd, Sonali Bank Ltd and Investment Corporation of Bangladesh on February 15, 2011 under the Trust Act, 1882 and Registration Act, 1908.

The Fund was registered under special consideration of the Securities and Exchange Commission on March 2, 2011 under the broader legal framework and relevant Rules of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউসিআল ফান্ড) বিধিমালা ২০০৯.

### 2.4. LIFE OF THE FUND:

The Fund will be a Special Purpose Investment Fund of 10 (Ten) years tenure, established with a view to develop the fixed income market.

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

- Total Fund is fixed at 500,000,000 (Fifty crore) units of Tk. 10 each totaling Tk. 5,000,000,000 (Five Hundred crore).
- The Sponsor's portion of the Fund is 200,000,000 (Twenty crore) units of Tk. 10 each totaling Tk. 2,000,000,000 (Taka Two Hundred crore).
- Size of the Pre-IPO Private Placement is 50,000,000 (Five crore) units of Tk. 10 each totaling Tk. 500,000,000 (Taka fifty crore).
- Size of the Initial Public Offering (IPO) is 250,000,000 (Twenty Five crore) units, each worth Tk. 10, totaling Tk. 2,500,000,000 (Two Hundred crore and fifty Lac) 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 First Bangladesh Fixed Income Fund is to provide attractive dividends to its unit-holders by earning superior risk adjusted return from a diversified investment portfolio.

### 3.2. INVESTMENT POLICIES:

<b>Investment Objective</b>	The Fund shall invest subject to Rule 55 and 56 of 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.
<b>Investment Exposure &amp; Liquidity</b>	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.
<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.
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 securitized debts.
5. The Fund shall not involve in option trading or short selling or carry forward transactions.
6. The Fund shall not buy its own unit.

**3.4. VALUATION POLICY:**

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

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

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

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

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

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

$L_T$  = Total liabilities of the Fund as on date

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

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

**3.5. INVESTMENT MANAGEMENT:**

RACE Management PCL will have discretionary authority over the Fund's portfolio about investment decision. RACE Management PCL shall conduct the day-to-day management of the Fund's portfolio as the Asset Management Company subject to the provisions laid down in Rules 55 and 56 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউচুয়াল 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 বিধি ১৯৯৯, 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 **FIRST BANGLADESH FIXED INCOME 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:

- i. **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 similar investment funds, an investment in the Fund is not insured or guaranteed by the Government of Bangladesh or any other government agency.
- ii. **Market Price Risk:** The Units of the Fund will be listed in the DSE and CSE. The Fund may lose its value or experience a substantial loss in its investments due to such market volatility as the Unit Price may fluctuate because of the interplay of the various market forces that may affect a single issuer, industry or the market as a whole.
- iii. **NAV Risk:** Stock market, Fixed Income market and Money market trends show that prices of many listed securities, Fixed Income and Money market instruments move in unpredictable directions, which may affect the value of the Fund's portfolio. Depending on its exposure to such securities and instruments, the net asset value of units issued under this Fund can go up or down depending on various factors and forces affecting the capital markets. Moreover, there is no guarantee that the market price of the Fund's units will fully reflect the underlying asset value of the Fund.
- iv. **Issuer Risk:** In addition to market and price risk, value of an individual security, Fixed Income and Money market instruments 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.
- v. **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 limited opportunities for short term or temporary investments for the Fund.
- vi. **Lack of Diversification Risk:** Due to small numbers of listed securities in both the Stock Exchanges, small number of listed and unlisted Fixed Income and Money market instruments, it may be difficult to invest the Fund's assets in a widely diversified portfolio.
- vii. **Liquidation Risk:** Market conditions and investment allocation may impact on the ability to sell securities, Fixed Income and Money market instruments during periods of market volatility. The Fund may not be able to sell securities or instruments at the appropriate price and/or time.
- viii. **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.

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

### 4.2. EXPECTED MARKET PERFORMANCE OF THE FUND:

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

### 4.3. WHO SHOULD INVEST AND HOW MUCH TO INVEST:

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

## 5. FORMATION, MANAGEMENT AND ADMINISTRATION

### 5.1. SPONSOR OF THE FUND:

**Eastern Bank Ltd. (EBL)** has established itself as a leading private commercial bank in the country with undisputed leadership in Corporate Banking and a strong Consumer and SME growth engines. EBL offers a wide range of depository, loan and card products to cater to virtually to every customer segment. These customers are served through a network of 39 branches, 62 ATMs and 5 Kiosks countrywide. EBL has presence in 11 major cities/towns in the country including Dhaka, Chittagong, Sylhet, Khulna, Rajshahi and Cox's Bazar.

**Janata Bank Limited (JBL)** is the second largest commercial bank in Bangladesh with 851 branches and an asset base of Tk. 282 billion. The Bank is fully owned by Government of Bangladesh. The mission of the bank is to actively participate in the socio-economic development of the nation by operating a commercially sound banking organization. The Bank received operational autonomy in 2007 after it became a public limited company under a World Bank financed program. Realizing the potential of our capital market, Janata Bank Limited expanded into stock markets in 2009 through launching its own merchant banking operations.

**Sonali Bank Limited** emerged as the largest and leading Nationalized Commercial bank after the independence of Bangladesh. A fully state owned institution, the bank had been discharging its national building responsibilities by undertaking government entrusted different socio-economic schemes as well as money market activities of its own volition, covering all spheres of the economy. The bank has been converted to a Public Limited Company with 100% ownership of the government and started functioning as Sonali Bank Limited from November 2007. Sonali bank has an authorized capital of 1000 crore and a paid up capital of 900 crore.

Sponsored by the Government of Bangladesh, **ICB Unit Fund** was established on April 10, 1981. Its main objective is to mobilize savings through sale of its units to small investors and invest these funds in marketable securities. The scheme provides a potential source of equity and debt to industrial and commercial concerns and thus contributes to the industrial development of the country. ICB Unit fund is an open ended Mutual Fund. It provides an opportunity to the unit holders to invest their funds in a well-managed and diversified portfolio with a high degree of security of capital and reasonable yearly returns.

### 5.2. TRUSTEE & CUSTODIAN OF THE FUND:

Investment Corporation of Bangladesh (ICB) was established on 1 October 1976, under the "The Investment Corporation of Bangladesh Ordinance 1976". The establishment of ICB was a major step in a series of measure undertaken by the government to accelerate the pace of Industrialization and to develop a well-organized and vibrant capital market particularly securities market in Bangladesh. ICB caters to the need of institutional support to meet the equity gap of the companies. In view of the national policy of accelerating the rate of saving and investment to foster self-reliant economy. ICB assumes indispensable and pivotal role in establishing such viable environment. ICB has a proven track record of being "Trustee & Custodian" for many of the existing mutual funds. Its dynamic team of dedicated professionals with superior underwriting and trustee skill can boost growth of the company. ICB has paid up capital of Tk. 2500 million and is listed on both Dhaka Stock Exchange and Chittagong Stock Exchange.

### 5.3. ASSET MANAGER OF THE FUND:

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

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

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

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

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

**Step 1: Universe Selection:** The first step of the investment process begins with identifying the universe of stocks, bonds, other fixed income and money market instruments. These instruments are then classified in four categories based on RACE's proprietary selection methodology.

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

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

**Step 4: "Bottoms Up" Company Analysis:** This step involves a combination of individual security and financial instrument analysis based on multiple parameters,

including valuation, qualitative analysis to identify business trends, competitive outlook and corporate management of issuer. These analyses are supplemented by company visits and information exchange with management.

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

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

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

**5.4. AUDITORS:**

The Trustee has appointed Howladar Yunus & Co Chartered Accountants as the Auditor of the Fund for the first year.

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

Keeping in mind, the fund size of Taka 500.00 (Five hundred) crore, RACE has estimated the normal annual operating expenses of the Fund, which will not exceed 4% of the average NAV of the Fund. However, there may be variation in the actual operating expenses of the Fund. Major expenses of the Fund are detailed as follows:

1. **Issue and Formation Expenses:** Issue and formation expenses are estimated to be not over 5% of the total Fund size. The expenses will be amortized within 10 (Ten)

years on a straight-line method. The estimated expenses for the issue and formation of the Fund are presented below:

1. Bankers to the issue fee/Collection Charge	: 0.60 percent
2. Formation Fee Payable to AMC	: 1.50 percent
3. Printing & Publication	: 0.60 percent
4. Legal Expenses (Listing Fees, Registration Fees, etc.)	: 0.25 percent
5. Other expenses	: 0.50 percent
<b>Total</b>	<b>3.45 percent</b>

2. **Management Fee:** The Asset Management Company shall charge the Fund an annual management fee of 2% of the Fund's Annual Average Net Asset Value as per the Trust Deed of the Fund. This fee shall be paid semi-annually by the Fund.
3. **Trustee Fee:** The Fund shall pay an annual trusteeship fee of 0.10% of the size of the Fund payable on a semi-annual in advance basis during the life of the Fund.
4. **Custodian Fee:** The Fund shall pay to the Custodian a safe keeping fee @ 0.10% of balance (dematerialized and non-dematerialized) securities held by the fund calculated on the basis of average month end value per annum.
5. **CDBL Fee:** For listing with the Central Depository of Bangladesh Limited (CDBL) there are both initial and recurring expenses. An amount of Tk. 500,000 (Taka five lac) as security deposit shall be kept with the CDBL without interest during the whole life of the Fund, while an IPO fee of Tk. 1250000 (Taka Twelve 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. 10,000,000 (One crore, 0.20%) to the Securities and Exchange Commission (SEC) as registration fee. In addition to that the Fund will have to pay Tk. 5,000,000.00 (Fifty lac) (at the rate of Tk. 0.10% of the fund size) only per annum as annual fee.
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. 50,000.00 (Fifty thousand) only for the first year and Trustee will fix fees for subsequent years.

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

### 6.1. ISSUE OF UNITS:

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

Subscribers	No of units	Face Value (Tk.)	Amount (Tk.)	Remarks
Sponsor*	200,000,000	10.00	2000,000,000	Subscribed
Pre-IPO Placement**	50,000,000	10.00	500,000,000	Subscribed
Resident Bangladeshis	200,000,000	10.00	2000,000,000	Yet to be subscribed
Non-Resident Bangladeshis (NRBs)	25,000,000	10.00	250,000,000	Yet to be subscribed
Reserved for Mutual Funds	25,000,000	10.00	250,000,000	Yet to be subscribed
<b>Total</b>	<b>500,000,000</b>	<b>10.00</b>	<b>5000,000,000</b>	

\* 100% of the Sponsor's contribution amounting to Tk. 200 (Two Hundred) crores is subject to a lock-in for 1 (one) year from the date of listing in the Stock Exchange(s). 10% of the Sponsor's contribution amounting to Tk. 20 crore (twenty crore) will be locked-in for the subsequent 9 years.

\*\* All Pre-IPO Placement Investments are subject to a 1-year lock-in effective from date of listing of First Bangladesh Fixed Income Fund units on the Stock Exchanges.

### 6.2 Pre-IPO Placement:

- Subscription from sponsor:  
Eastern Bank Limited, ICB Unit Fund, Janata Bank Ltd, Sonali Bank Ltd have already subscribed Tk. 2,000,000,000.00 for 200,000,000 units of Tk. 10.00 each at par as per Rule 9 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউসিআল ফান্ড) বিধিমালা ২০০১
- The following institutions have subscribed Tk. **500,000,000/- (Taka Fifty Crores Only)** for **50,000,000 (Five crore)** units with each unit worth Tk. 10.00 (Taka ten) at par. These investments are subject to a 1-year lock-in from the date of listing of the First Bangladesh Fixed Income Fund on the Stock Exchanges.

Sl. No.	Pre-IPO Investor	No. of units	Amount (Tk.)
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1.	Mutual Trust Bank Limited	25,000,000	250,000,000
2.	Premier Bank Limited	25,000,000	250,000,000

- Public Offer: 10% of the Public Offer i.e. 25,000,000 units of Tk. 10 each totaling Tk. 250,000,000 are being offered to the non-resident Bangladeshis (NRBs), 10% i.e. 25,000,000 units of Tk. 10 each totaling Tk. 250,000,000 are being reserved for Mutual Funds and the remaining 200,000,000 units of Tk. 10 each amounting to Tk. 2000,000,000 are being offered to the Resident Bangladeshis for subscription in cash in full on application.

### 6.3. RIGHTS OF THE UNIT HOLDERS:

- Unit holders of the Fund have a proportionate right in the beneficial ownership of the assets of the Fund.
- Dividend: All the unit holders have equal but proportionate rights with respect to dividends. Dividends will be paid in Bangladeshi Taka only.
- Transfer of units: Units are transferable. The transfer will be made by CDBL under electronic settlement process.
- 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 of the Fund. 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.
- Encashment: The units will be listed with DSE and CSE. So investment in this Fund will easily be encashable.

### 6.4. BENEFICIAL INTEREST:

- The unit holders shall preserve only the beneficial interest in the trust properties on pro rata basis of their ownership of the Fund.
- 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).
- 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 (সিউসিআল 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 the DSE and CSE by the Asset Management Company.



## First Bangladesh Fixed Income Fund

### Instructions

1. As per provision of ডিপজিটরি আইন ১৯৯৯ and Regulations made there under all 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 "First Bangladesh Fixed Income Fund" and crossed "A/C PAYEE ONLY" and must be drawn on a bank in the same town as the bank to which the application form has been sent.
6. In the case of a Joint Application Form, the Allotment Letter will be dispatched to the person whose name appears first on this Application Form and where any amount is refundable in whole or in part the same will be refunded by Account Payee cheque by post/courier service to the person named first on this Application Form in the manner prescribed in the prospectus.
7. Joint Application form for more than two persons will not be accepted. In case of joint application, each party must sign the Application Form.
8. Application must be in full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Application from financial and market intermediary companies and Private Company must be accompanied by Memorandum and Articles of Association and Certificate of Incorporation.
9. **An applicant can NOT submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, whole or part of application money may be forfeited by the Commission.**
10. No receipt will be issued for the payment made with the Application, but the bankers will issue a provisional acknowledgement to the issue for application lodged with them.
11. In the case of non-allotment of units, the application money of unsuccessful applicant shall be refunded to the respective banks for onward deposit of the refund money into the applicant's bank accounts as provided in the respective application form of subscription. The applicant must mention the bank account in the application form the same bank account number as available in the database of Beneficiary Owners Account in Central Depository for the purpose of refund of application money.

12. Allotment shall be made solely in accordance with the instructions of the SEC.
13. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the Application liable to rejection and subject to forfeiture of Application money and/or forfeiture of the unit before or after issuance of the same by the Asset Management Company. The said forfeited Application money or unit will be deposited in account specified by the SEC. This may be in addition to any other penalties as may be provided for by law.
14. Applications, which do not meet the above requirements, or Applications, which are incomplete, shall NOT be considered for allotment purpose.
15. The bankers to the issue shall be obliged to receive the A/C payee cheque(s) on the closing day of the subscription of the PUBLIC OFFER.
16. **No sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until 25 (twenty five) days after the prospectus has been published.**

**BANKERS TO THE ISSUE**

<p><b>Investment Corporation of Bangladesh (ICB)</b></p> <ol style="list-style-type: none"> <li>Head Office, NSC Tower, Dhaka</li> <li>Chittagong Branch, Agrabad, Chittagong</li> <li>Rajshahi Branch, Shaheb Bazar, Rajshahi</li> <li>Khulna Branch, Shipibank Bhaban, Khulna</li> <li>Barisal Branch, Hemayet Uddin Road, Barisal</li> <li>Sylhet Branch Anondo Tower, Jail Road, Sylhet</li> <li>Bogra Branch, Afzar Ali Complex, Raja Bazar Bogra, Bogra</li> <li>Local Office, Naya Palan, Dhaka</li> </ol> <p><b>Bank Asia Limited</b></p> <ol style="list-style-type: none"> <li>Principal Office Branch, Dhaka</li> <li>MCB Dilkusha Branch, Dhaka</li> <li>Corporate Branch, Dhaka</li> <li>Scotia Branch, Dhaka</li> <li>Gulshan Branch, Dhaka</li> <li>MCB Banani Branch, Dhaka</li> <li>Uttara Branch, Dhaka</li> <li>Mirpur Branch, Dhaka</li> <li>North South Rd. Branch, Dhaka</li> <li>Dhanmondi Branch, Dhaka</li> <li>Bashundhara Branch, Dhaka</li> <li>Sylhet Main Branch, Sylhet</li> <li>Sylhet Uposhohor Branch, Sylhet</li> <li>Agrabad Branch, Chittagong</li> <li>Khatungonj Branch, Chittagong</li> <li>MCB Sk. Mujib Road Branch, Chittagong</li> <li>Bahadderhat Branch, Chittagong</li> <li>Moghbaraz Branch, Dhaka</li> <li>CDA Avenue Branch, Chittagong</li> <li>Station Road Branch, Chittagong</li> <li>Rajshahi Branch, Rajshahi</li> <li>Khulna Branch, Khulna</li> <li>Mohakhali Branch, Dhaka</li> <li>Mirpur Branch, Dhaka</li> <li>Bogra Branch, Bogra</li> <li>Jessore Branch, Jessore</li> <li>Andarkilla Branch, Chittagong</li> <li>Shantinagar Branch, Dhaka</li> <li>Pragati Sarani Branch, Dhaka</li> <li>Kamal Bazar Br., Chittagong</li> <li>Ishwardi Br., Pabna</li> </ol> <p><b>Dutch-Bangla Bank Limited</b></p> <ol style="list-style-type: none"> <li>Baburhat Branch, Narsingdi</li> <li>Narayanganj Branch, Narayanganj</li> <li>B.B. Road Branch, Narayanganj</li> <li>Patherhat Branch, Chittagong</li> <li>Hathazari Branch, Chittagong</li> <li>Dania Branch, Dhaka</li> <li>Khulna Branch, Khulna</li> <li>Sylhet Branch, Sylhet</li> <li>Dhaka EPZ Branch, Dhaka</li> <li>Board Bazar Branch, Gazipur</li> <li>Netaganj Branch, Narayanganj</li> <li>Bogra Branch, Bogra</li> <li>Barisal Branch, Barisal</li> <li>Sirair Branch, Narayanganj</li> <li>CDA Avenue Branch, Chittagong</li> <li>Joypara Branch, Dhaka</li> <li>Biswasath Branch, Sylhet</li> <li>Moulvi Bazar Branch, Moulvi Bazar</li> <li>Mirzapur Branch, Chittagong</li> <li>Golapgonj Branch, Sylhet</li> <li>Rajshahi Branch, Rajshahi</li> <li>Savar Bazar Branch, Dhaka</li> <li>Gazipur Chowrasta Branch, Gazipur</li> <li>Feni Branch, Feni</li> <li>Comilla Branch, Comilla</li> <li>Jubilee Road Branch, Chittagong</li> <li>Kadamtali Branch, Chittagong</li> <li>Mirzapur Branch, Tangail</li> <li>Cox's Bazar Branch, Cox's Bazar</li> <li>Lohagara Branch, Chittagong</li> <li>Manikgonj Branch, Manikgonj</li> <li>Faizkhan Branch, Chittagong</li> <li>Konabari Branch, Gazipur</li> <li>Choumuhani Branch, Noakhali</li> <li>Sonagazi Branch, Feni</li> <li>Goala Bazar Branch, Sylhet</li> <li>Khatungonj Branch, Chittagong</li> <li>Mymensingh Branch, Mymensingh</li> <li>Shahzadpur Branch, Sirajgonj</li> <li>Beani Bazar Branch, Sylhet</li> <li>Chhatak Branch, Sunamganj</li> <li>Bandura Branch, Dhaka</li> <li>Saidpur Branch, Nilphamary</li> <li>Rangpur Branch, Rangpur</li> <li>Jessore Branch, Jessore</li> <li>Halishahar Branch, Chittagong</li> <li>Basurhat Branch (Rural), Noakhali</li> <li>Sremangal Branch, Moulvi Bazar</li> <li>Kushitia Branch, Kushtia</li> <li>Pabna Branch, Pabna</li> </ol>	<ol style="list-style-type: none"> <li>Narsingdi Branch, Narsingdi</li> <li>Samsajid Road Branch, Dhaka</li> <li>Dinajpur Branch, Dinajpur</li> <li>Bhairab Branch, Kishongonj</li> <li>Dagonbhuiyan Branch, Feni</li> <li>Gobindaganj Branch, Gaibandha</li> <li>Bhula Branch, Narayanganj</li> <li>Narayanganj ISJC Branch, Narayanganj</li> <li>Tongi Branch, Gazipur</li> <li>Satkhiira Branch, Satkhira</li> <li>Madaripur Branch, Madaripur</li> <li>Munshiganj Branch, Munshiganj</li> <li>Habiganj Branch, Habiganj</li> <li>Chittagong EPZ Branch, Chittagong</li> <li>Fardpur Branch, Fardpur</li> <li>Shahajal Uposhohor Branch, Sylhet</li> <li>Tangail Branch, Tangail</li> </ol> <p><b>The City Bank Limited</b></p> <ol style="list-style-type: none"> <li>B.B Avenue Br, Dhaka</li> <li>Dhaka Chamber Br, Dhaka</li> <li>Dhanmondi Br, Dhaka</li> <li>Shaymoli Br, Dhaka</li> <li>Imamgonj Br, Dhaka</li> <li>Johnson Road Br, Dhaka</li> <li>Karwan Bazar Br, Dhaka</li> <li>New Market Br, Dhaka</li> <li>VIP Road Br, Dhaka</li> <li>Islampur Br, Dhaka</li> <li>Nawabgonj Br, Dhaka</li> <li>Nawabpur Br, Dhaka</li> <li>Pragati Sarani Br, Dhaka</li> <li>Tanbazar Br, Narayanganj</li> <li>Zinzira Br, Dhaka</li> <li>Tongi Br, Gazipur</li> <li>Agrabad Br, Chittagong</li> <li>Jubilee Road Br, Chittagong</li> <li>Khatungonj Br, Chittagong</li> <li>Andarkilla Br, Chittagong</li> <li>Cox's Bazar Br, Chittagong</li> <li>Chawkbazar Br, Chittagong</li> <li>Pahartoli Br, Chittagong</li> <li>Comilla Br, Comilla</li> <li>Narsingdi Br, Narsingdi</li> <li>Zinda Bazar Br, Sylhet</li> <li>Bandar Bazar Br, Sylhet</li> <li>Amborkhana Br, Sylhet</li> <li>Moulvi Bazar Br, Sylhet</li> <li>Rajshahi Br, Rajshahi</li> <li>Bogra Br, Bogra</li> <li>Rangpur Br, Rangpur</li> <li>Khulna Br, Dhaka</li> <li>Sirajgonj Br, Sirajgonj</li> <li>Khulna Br, Khulna</li> <li>Jessore Br, Jessore</li> <li>Bansal Br, Barisal</li> </ol> <p><b>IFIC Bank Limited</b></p> <ol style="list-style-type: none"> <li>Federation Branch, Dhaka</li> <li>Dhanmondi Branch, Dhaka</li> <li>Mohakhali Branch, Dhaka</li> <li>Banani Branch, Dhaka</li> <li>Shantinagar Branch, Dhaka</li> <li>Elephant Road Branch, Dhaka</li> <li>Islampur Branch, Dhaka</li> <li>Karwan Bazar Branch, Dhaka</li> <li>Naya Palan Branch, Dhaka</li> <li>Uttara Branch, Dhaka</li> <li>Malibagh Branch, Dhaka</li> <li>Pallabi Branch, Dhaka</li> <li>Lalmatia Branch, Dhaka</li> <li>Narsingdi Branch, Narsingdi</li> <li>North Brook Hill Road Branch, Dhaka</li> <li>Narayanganj Branch, Narayanganj</li> <li>Fardpur Branch, Fardpur</li> <li>Mymensingh Branch, Mymensingh</li> <li>Stock Exchange Branch, Dhaka</li> <li>Pragati Sarani Branch, Dhaka</li> <li>Mirpur Branch, Dhaka</li> <li>Agrabad Branch, Chittagong</li> <li>CDA Avenue Branch, Chittagong</li> <li>Madam Bibi Hat Branch, Chittagong</li> <li>Cox's Bazar Branch, Cox's Bazar</li> <li>Sheikh Mujib Road Branch, Chittagong</li> <li>Comilla Branch, Comilla</li> <li>Brahmanbaria Branch, Brahmanbaria</li> <li>Choumuhani Branch, Noakhali</li> <li>Feni Branch, Feni</li> <li>Alankar More Branch, Chittagong</li> <li>Rajshahi Branch, Rajshahi</li> <li>Rangpur Branch, Rangpur</li> <li>Bogra Branch, Bogra</li> <li>Pabna Branch, Pabna</li> <li>Dinazpur Branch, Dinajpur</li> <li>Khulna Branch, Khulna</li> <li>Boro Bazar Branch, Khulna</li> <li>Jessore Branch, Jessore</li> </ol>	<ol style="list-style-type: none"> <li>Agarad Branch, Chittagong</li> <li>Andarkilla Br. Chittagong</li> <li>Bangshal Road Branch, Dhaka</li> <li>Banani Branch, Dhaka</li> <li>Babubazar Branch, Dhaka</li> <li>Bogra Branch, Bogra</li> <li>Barisal Branch, Barisal</li> <li>Elephant Road Branch, Dhaka</li> <li>Foreign Ex. Branch, Dhaka</li> <li>Gulshan Branch, Dhaka</li> <li>Imamgonj Branch, Dhaka</li> <li>Islampur Branch, Dhaka</li> <li>Jatrabari Branch, Dhaka</li> <li>Karwan Bazar Branch, Dhaka</li> <li>Khulna Branch, Khulna</li> <li>Sylhet Branch, Sylhet</li> <li>Feni Branch, Feni</li> <li>S.K. Mojib Road Branch, Chittagong</li> <li>Z. H. Sikder M. C. Branch, Dhaka</li> <li>Malibagh Branch, Dhaka</li> <li>Khatungonj Br. Chittagong</li> <li>Lake Circus Br. Dhaka</li> <li>Tongi Br. Gazipur</li> <li>Rifles Square Branch, Dhaka</li> <li>Pagla Bazar Branch, Narayanganj</li> <li>CDA Avenue Br. Chittagong</li> <li>Marapur Br. Chittagong</li> <li>Gazipur Br. Gazipur</li> <li>Sunamgonj Br. Sunamgonj</li> <li>Mirpur Branch, Dhaka</li> <li>Mohakhali Branch, Dhaka</li> <li>Mohammadpur Branch, Dhaka</li> <li>Motijheel Branch, Dhaka</li> <li>Dhanmondi Branch, Dhaka</li> <li>Dilkusha Branch, Dhaka</li> <li>New Eskaton Branch, Dhaka</li> <li>North Brook Hall Br. Dhaka</li> <li>Pragati Sarani Branch, Dhaka</li> <li>Rokeya Sarani Branch, Dhaka</li> <li>Savar Bazar Branch, Savar, Dhaka</li> <li>Uttara Branch, Dhaka</li> <li>Chawk Bazar Branch, Chittagong</li> <li>Choumuhani Branch, Noakhali</li> <li>Pahartali Branch, Dhaka</li> <li>Halishahar Br. Chittagong</li> <li>Jubilee Road Br. Chittagong</li> <li>Tangail Branch, Tangail</li> <li>Comilla Branch, Comilla</li> <li>Rangpur Branch, Rangpur</li> <li>Rajshahi Branch, Rajshahi</li> <li>Narayanganj Branch, Narayanganj</li> <li>Narsingdi Branch, Narsingdi</li> <li>Fardpur Branch, Fardpur</li> <li>Moulvibazar Br. Moulvibazar</li> <li>Mymensingh Br. Mymensingh</li> <li>Bandura Br. Dhaka</li> </ol> <p><b>Eastern Bank Limited</b></p> <ol style="list-style-type: none"> <li>Principal Branch, Dilkusha, Dhaka</li> <li>Motijheel Branch, Dhaka</li> <li>Mirpur Branch, Dhaka</li> <li>Bashundhara Branch, Dhaka</li> <li>Shaymoli Branch, Dhaka</li> <li>Narayanganj Branch, Narayanganj</li> <li>Choumuhoni Branch, Noakhali</li> <li>Moulvi Bazar Branch, Moulvi Bazar</li> <li>Agarad Branch, Chittagong</li> <li>Khatungonj Branch, Chittagong</li> <li>Bogra Branch, Bogra</li> <li>Khulna Branch, Khulna</li> <li>Rajshahi Branch, Rajshahi</li> <li>Savar Branch, Dhaka</li> <li>Jessore Branch, Jessore</li> </ol> <p><b>Trust Bank Limited</b></p> <ol style="list-style-type: none"> <li>Principal Branch, Dhaka</li> <li>Dilkusha Core Branch, Dhaka</li> <li>Kafrul Branch, Dhaka</li> <li>Radisson Water Garden Hotel Branch (RWGH), Dhaka</li> <li>Mirpur Branch, Dhaka</li> <li>Karwan Bazar Br. Dhaka</li> <li>Uttara Corporate Branch, Dhaka</li> <li>Narayanganj Branch, Narayanganj</li> <li>Elephant Road Branch, Dhaka</li> <li>Dhanmondi Branch, Dhaka</li> <li>Narsingdi Branch, Narsingdi</li> </ol>	<ol style="list-style-type: none"> <li>Tongi Branch, Gazipur</li> <li>Joydepur Branch, Gazipur</li> <li>Ashulia Branch, Dhaka</li> <li>Mymensingh Cantonment Branch, Mymensingh</li> <li>Sylhet Branch, Sylhet</li> <li>Moulvi Bazar Branch, Moulvi Bazar</li> <li>Uposhohor Branch, Sylhet</li> <li>Tulikar Branch, Sylhet.</li> </ol> <p><b>National Bank Limited</b></p> <ol style="list-style-type: none"> <li>Agarad Branch, Chittagong</li> <li>Andarkilla Br. Chittagong</li> <li>Bangshal Road Branch, Dhaka</li> <li>Banani Branch, Dhaka</li> <li>Babubazar Branch, Dhaka</li> <li>Bogra Branch, Bogra</li> <li>Barisal Branch, Barisal</li> <li>Elephant Road Branch, Dhaka</li> <li>Foreign Ex. Branch, Dhaka</li> <li>Gulshan Branch, Dhaka</li> <li>Imamgonj Branch, Dhaka</li> <li>Islampur Branch, Dhaka</li> <li>Jatrabari Branch, Dhaka</li> <li>Karwan Bazar Branch, Dhaka</li> <li>Khulna Branch, Khulna</li> <li>Sylhet Branch, Sylhet</li> <li>Feni Branch, Feni</li> <li>S.K. Mojib Road Branch, Chittagong</li> <li>Z. H. Sikder M. C. Branch, Dhaka</li> <li>Malibagh Branch, Dhaka</li> <li>Khatungonj Br. Chittagong</li> <li>Lake Circus Br. Dhaka</li> <li>Tongi Br. Gazipur</li> <li>Rifles Square Branch, Dhaka</li> <li>Pagla Bazar Branch, Narayanganj</li> <li>CDA Avenue Br. Chittagong</li> <li>Marapur Br. Chittagong</li> <li>Gazipur Br. Gazipur</li> <li>Sunamgonj Br. Sunamgonj</li> <li>Mirpur Branch, Dhaka</li> <li>Mohakhali Branch, Dhaka</li> <li>Mohammadpur Branch, Dhaka</li> <li>Motijheel Branch, Dhaka</li> <li>Dhanmondi Branch, Dhaka</li> <li>Dilkusha Branch, Dhaka</li> <li>New Eskaton Branch, Dhaka</li> <li>North Brook Hall Br. Dhaka</li> <li>Pragati Sarani Branch, Dhaka</li> <li>Rokeya Sarani Branch, Dhaka</li> <li>Savar Bazar Branch, Savar, Dhaka</li> <li>Uttara Branch, Dhaka</li> <li>Chawk Bazar Branch, Chittagong</li> <li>Choumuhani Branch, Noakhali</li> <li>Pahartali Branch, Dhaka</li> <li>Halishahar Br. Chittagong</li> <li>Jubilee Road Br. Chittagong</li> <li>Tangail Branch, Tangail</li> <li>Comilla Branch, Comilla</li> <li>Rangpur Branch, Rangpur</li> <li>Rajshahi Branch, Rajshahi</li> <li>Narayanganj Branch, Narayanganj</li> <li>Narsingdi Branch, Narsingdi</li> <li>Fardpur Branch, Fardpur</li> <li>Moulvibazar Br. Moulvibazar</li> <li>Mymensingh Br. Mymensingh</li> <li>Bandura Br. Dhaka</li> </ol> <p><b>Eastern Bank Limited</b></p> <ol style="list-style-type: none"> <li>Principal Branch, Dilkusha, Dhaka</li> <li>Motijheel Branch, Dhaka</li> <li>Mirpur Branch, Dhaka</li> <li>Bashundhara Branch, Dhaka</li> <li>Shaymoli Branch, Dhaka</li> <li>Narayanganj Branch, Narayanganj</li> <li>Choumuhoni Branch, Noakhali</li> <li>Moulvi Bazar Branch, Moulvi Bazar</li> <li>Agarad Branch, Chittagong</li> <li>Khatungonj Branch, Chittagong</li> <li>Bogra Branch, Bogra</li> <li>Khulna Branch, Khulna</li> <li>Rajshahi Branch, Rajshahi</li> <li>Savar Branch, Dhaka</li> <li>Jessore Branch, Jessore</li> </ol> <p><b>BRAC Bank Limited</b></p> <ol style="list-style-type: none"> <li>Asad Gate Branch, Dhaka</li> <li>Bashundhara Branch, Dhaka</li> <li>Donia Branch, Dhaka</li> <li>Eskaton Branch, Dhaka</li> <li>Graphics Building Branch, Dhaka</li> <li>Manda Branch, Dhaka</li> <li>Mirpur Branch, Dhaka</li> <li>Narayanganj Branch, Narayanganj</li> <li>Nawabpur Branch, Dhaka</li> <li>Rampura Branch, Dhaka</li> <li>Shaymoli Branch, Dhaka</li> <li>Uttara Branch, Dhaka</li> <li>Agrabad Branch, Chittagong</li> <li>CDA Avenue Branch, Chittagong</li> <li>Halishohor Branch, Chittagong</li> </ol>	<ol style="list-style-type: none"> <li>Kazirdeu Branch, Chittagong</li> <li>Momin Road Branch, Chittagong</li> <li>Bogra Branch, Bogra</li> <li>Rajshahi Branch, Rajshahi</li> <li>Jessore Branch, Jessore</li> <li>Khulna Branch, Khulna</li> <li>Barisal Branch, Barisal</li> <li>Zindabazar Branch, Sylhet</li> </ol> <p><b>Southeast Bank Limited</b></p> <ol style="list-style-type: none"> <li>Principal Branch, Dhaka</li> <li>Corporate Branch, Dhaka</li> <li>Imamganj Branch, Dhaka</li> <li>Dhanmondi Branch, Dhaka</li> <li>Uttara Branch, Dhaka</li> <li>Mouchak Branch, Dhaka</li> <li>Beshundhara Branch, Dhaka</li> <li>Mohammadpur Branch, Dhaka</li> <li>Banani Branch, Dhaka</li> <li>Bangshal Branch, Dhaka</li> <li>New Eskaton Branch, Dhaka</li> <li>Karwan Bazar Branch, Dhaka</li> <li>Sat Masbilal Road Branch, Dhaka</li> <li>Shaymoli Branch, Dhaka</li> <li>Ashulia Branch (Rural), Dhaka</li> <li>Narayanganj Branch, Narayanganj</li> <li>Savar Branch, Dhaka</li> <li>Kakrail Branch, Dhaka</li> <li>Pragati Sarani Branch, Dhaka</li> <li>New Elephant Road Branch, Dhaka</li> <li>Chouhatta Branch, Sylhet</li> <li>Laldigharpur Branch, Sylhet</li> <li>Pahartali Branch, Chittagong</li> <li>CDA Avenue Branch, Chittagong</li> <li>Barisal Branch, Barisal</li> <li>Khulna Branch, Khulna</li> <li>Rajshahi Branch, Rajshahi</li> <li>Halishahar Branch, Chittagong</li> <li>Chhagalnaya Branch, Feni</li> <li>Bandar Bazar Branch, Sylhet</li> </ol> <p><b>First security Islami Bank</b></p> <ol style="list-style-type: none"> <li>Azampur Branch, Dhaka</li> <li>Banani Branch, Dhaka</li> <li>Bangshal Branch, Dhaka</li> <li>Bonoshree Branch, Dhaka</li> <li>Bewa Road Branch, Dhaka</li> <li>Dhanmondi Branch, Dhaka</li> <li>Dilkusha Branch, Dhaka</li> <li>Donia Branch, Dhaka</li> <li>Gulshan Branch, Dhaka</li> <li>Islampur Branch, Dhaka</li> <li>Mirpur Branch, Dhaka</li> <li>Mohakhali Branch, Dhaka</li> <li>Motijheel Branch, Dhaka</li> <li>Ring Road Branch, Dhaka</li> <li>Savar Branch, Dhaka</li> <li>Sena Nibash Branch, Dhaka</li> <li>Tophkhana Road Branch, Dhaka</li> <li>Collage Gate Branch, Gazipur</li> <li>Agrabad Branch, Chittagong</li> <li>Andar Killa Branch, Chittagong</li> <li>Bohaddarhat Branch, Chittagong</li> <li>Hat Hajari Branch, Chittagong</li> <li>Jubilee Road Branch, Chittagong</li> <li>Khatungonj Branch, Chittagong</li> <li>Patia Branch, Chittagong</li> <li>Probarak Mar Branch, Chittagong</li> <li>Chokonia Branch, Cox's Bazar</li> <li>Cox's Bazar Branch, Cox's Bazar</li> <li>Comilla Branch, Comilla</li> <li>Rangpur Branch, Rangpur</li> <li>Bogra Branch, Bogra</li> <li>Rajshahi Branch, Rajshahi</li> <li>Ambarkhana Branch, Sylhet</li> <li>Sylhet Branch, Sylhet</li> <li>Taltola Branch, Sylhet</li> <li>Jessore Branch, Jessore</li> <li>Khulna Branch, Khulna</li> <li>Moulvibazar Branch, Moulvibazar</li> <li>Panakhali Branch, Panakhali</li> <li>Satkhiira Branch, Satkhira</li> <li>Gobindogonj Branch, Sunamgonj</li> <li>Mymensingh Branch, Mymensingh</li> <li>Barisal Branch, Barisal</li> <li>Fardpur Branch, Fardpur</li> <li>Chawkbazar Branch, Chittagong</li> <li>Zirabo Branch, Dhaka</li> <li>Uttara Branch, Dhaka</li> </ol>
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## First Bangladesh Fixed Income Fund

### Instructions for NRBs

1. As per provision of the ডিগজিটালি আইন ১৯৯৯ and regulations made there under all 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 favoring “*First Bangladesh Fixed Income Fund*” and crossed “**ACCOUNT PAYEE ONLY**”.
5. Application shall be sent by the applicant directly to the RACE Management PCL within **October 20, 2011** so as to reach the Asset Management Company within **October 29, 2011** No Application sent after **October 20, 2011** or received by the RACE Management PCL after **October 29, 2011** 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. 25 (Twenty Five) crore** of total public offering shall be reserved for non-resident Bangladeshi (NRB) and **Units of Tk. 25 (Twenty Five) crore** for mutual funds and collective investment schemes registered with the Commission, and the remaining units of **Tk. 200.00 (Two Hundred) 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. 25 (Twenty Five) crore for NRB and units of Tk. 25 (Twenty Five) crore for mutual funds**] mentioned in para (a), the unsubscribed portion shall be added to the **general public category** [units of Tk. 200.00 (Two Hundred) 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 (IT Clean) in US Dollar, UK Pound Sterling and Euro of Sonali Bank Ltd. as prevalent on the date of opening of subscription will be applicable for the Non-Resident Bangladeshi (NRB) applicants.
  14. **The applicant shall furnish photocopies of relevant pages of valid passport(s) in support of his being a NRB, dual citizenship or of the foreign passport bearing an endorsement from the concerned Bangladeshi Embassy to the effect that no visa is required for him to travel to Bangladesh.**
  15. In case of joint NRB application, joint applicant shall also submit supporting papers/documents in support of their being an NRB as mentioned in para-14 above.
  16. In the case of non-allotment of units, the application money of unsuccessful applicant shall be refunded to the respective banks for onward deposit of the refund money into the applicant’s bank accounts as provided in the respective application form of subscription. The applicant must mention the bank account in the application form the same bank account number as available in the database of Beneficiary Owners Account in Central Depository for the purpose of refund of application money.
  17. **An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, whole or part of application money may be forfeited by the Commission.**
  18. No sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until 25 (twenty five) days after the prospectus has been published.

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