

PROSPECTUS

for

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 (সিউইসিআর) 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

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Fund Directory

Registered Office	RACE Management PCL Al Razi Complex (3 rd Floor) 166-167 Shaheed Syed Nazrul Islam Sarani Purana Paltan, Dhaka – 1000	Sponsors	Eastern Bank Limited Jibon Bima Bhabon 10 Dilkusha C/A, Dhaka – 1000
			ICB Unit Fund 8, Rajuk Avenue, BDBL Bhaban, Dhaka-1000
			Janata Bank Ltd 110 Motijheel C/A, Dhaka-1000, Bangladesh
			Sonali Bank Limited 35-42 Motijheel C/A, Dhaka-1000, Bangladesh
Trustee	Investment Corporation of Bangladesh 8, Rajuk Avenue, BDBL Bhaban, Dhaka-1000, Bangladesh	Custodian	Investment Corporation of Bangladesh 8, Rajuk Avenue, BDBL Bhaban, Dhaka-1000, Bangladesh
Auditor	Howladar Yunus & Co Chartered Accountants 67, Dilkusha C/A, 2 nd Floor, Dhaka-1000, Bangladesh	Banker	Eastern Bank Limited Jibon Bima Bhabon 10 Dilkusha C/A, Dhaka – 1000
Fund Manager	RACE Management PCL Al Razi Complex (3 rd Floor) 166-167 Shaheed Syed Nazrul Islam Sarani Purana Paltan, Dhaka – 1000		

Abbreviations and Definitions

Term	Definition
Allotment:	Letter of Allotment for units
Act:	Securities and Exchange Commission Act 1993
AMC:	The Asset Management Company (AMC) refers to “RACE Management Private Company Limited” registered with the Joint Stock Companies and Firms.
CDBL:	Central Depository Bangladesh Limited
Certificate:	Unit Certificate of the Fund
Commission:	Securities and Exchange Commission
Companies Act:	Companies Act 1994 (Act number 18)
CSE:	Chittagong Stock Exchange
DSE:	Dhaka Stock Exchange
FC Account:	Foreign Currency Account
EPS:	Earnings Per Share
FI:	Financial Institutions
Issue:	Public Issue
NBFI:	Non-banking Financial Institutions
BO A/C:	Beneficiary Owner Account or Depository Account
NAV:	Net Asset Value of the Fund
NBR:	National Board of Revenue
NRB:	Non-Resident Bangladeshis means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they have a valid Bangladeshi passport) or those, whose foreign passport bear a stamp from the concerned Bangladesh Embassy/High Commission to the effect that no visa is required to travel to Bangladesh.
Offering Price:	Price of the Securities of the Fund being offered
Subscription:	Application Money
SEC:	Securities and Exchange Commission
Sponsor:	Sponsor of the Fund i.e., Eastern Bank Ltd. incorporated as a private limited company with the Registrar of Joint Stock Companies and Firms.
RJSC:	Registrar of Joint Stock Companies and Firms
Units:	Units of the Fund
The Fund:	First Bangladesh Fixed Income Fund

Highlights

1. Fund Name:	First Bangladesh Fixed Income Fund
2. Size of the Fund:	Tk. 500 crore divided into 500,000,000 units at par value of Tk. 10.00 each.
3. Face Value:	Tk. 10.00 per unit.
4. Nature:	Special Purpose Investment Fund with a tenure of 10 years
5. Objective:	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.
6. Target Group:	Individuals, institutions, non-resident Bangladeshis (NRB), mutual funds and collective investment schemes are eligible to apply for investment in the Fund.
7. Dividend Policy:	Minimum 70% income of the Fund will be distributed as dividends in Bangladeshi Taka only at the end of each accounting year. The Fund shall create a dividend equalization reserve fund to ensure consistency in dividend.
8. Mode of Distribution:	The dividend will be distributed within 30 days from the date of declaration.
9. Transferability:	Units are transferable. The transfer will be made by the CDBL under electronic settlement process.
10. Encashment:	The Fund will be listed with DSE and CSE. So investment in this Fund will easily be encashable.
11. Report & Accounts:	Every unit holder is entitled to receive annual report together with the yearly and half-yearly statements of accounts as and when published.

Risk Factors

Investing in the 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:

- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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 (সিউফুয়াল ফান্ড) বিধিমালা ২০০১ made thereunder and also received approval for issuing prospectus for public offering. A complete copy of the prospectus of the public offering is available for public inspection at the registered office of the Fund.

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

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

1.3. LISTING OF FUND:

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

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

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

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

1.4. DOCUMENTS AVAILABLE FOR INSPECTION:

1. Copy of this prospectus will be available at the Members of the Stock Exchanges, Bankers to the Issue and the registered office of the RACE Management PCL and also available at the website of Securities and Exchange Commission (www.secibd.org) and RACE Management PCL (www.raceibd.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 (সিউসিআর) বিধিমালা ২০০৯, 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 (সিউসিআর) 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 1/10th 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 (সিউইসিআল কাভ) বিধিমালা ২০০৯, it will **refund** the subscription money within **5 (five) weeks** from the closure of subscription without any deduction. In case of **failure**, the Asset Management Company shall **refund** the same with interest **@ 18 (eighteen) percent per annum** from its own account within the next month.
 25. In case of oversubscription, the excess amount shall be refunded within **5 (five) weeks** from the closure of subscription period, failing which the Asset Management Company will refund the same with an interest **@ 18 percent per annum** from its own account within the next month.
 26. The Asset Management Company shall publish a notice through the newspaper to all successful applicants within **5 (five) weeks** from the closing of subscription for collection of allotment letters.
 27. The Asset Management Company shall apply for listing of the Fund with Stock Exchange(s) within **7 (seven) working days** of first publication of the prospectus.
 28. **Declaration about Listing of Fund with the Stock Exchange(s):**
"None of the Stock Exchange(s), if for any reason, grants listing within **75 (seventy five) days** from the closure of subscription, any allotment in terms of this prospectus shall be void and the Asset Management Company shall refund the subscription money within fifteen days from the date of refusal for listing by the Stock Exchange(s), or from the date of expiry of the said **75 (seventy five) days**, as the case may be.
- In case of non-refund of the subscription money within the aforesaid fifteen days, The Asset Management Company, in addition to the Sponsor and Trustee, shall be

collectively and **severally** liable for refund of the subscription money with interest @ of 2% (two percent) per month above the bank rate to the subscribers concerned.

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

29. **Letter informing allotment shall be issued within 5 (five) weeks from the closure of subscription.**
30. The Scheme shall maintain **escrow bank account** for the proceeds of the public offering. The Fund collected through public offering shall not be utilized prior to the allotment and shall be affected through banking channel i.e., through account payee cheque, pay order, bank draft etc.
31. The Fund shall not be involved in **option trading**, short selling or carry forward transactions.
32. The annual report or its abridged version of the Scheme shall be published within **45 (forty-five) days** of the closure of each accounting year of the Fund.
33. An annual report and details of investment and savings of the Scheme shall be submitted to the Commission, Trustee and Custodian of the Scheme within **90 (ninety) days** from the closure of the accounts.
34. Half-yearly accounts/financial results of the Fund shall be submitted to the Commission and the Stock Exchanges and published in at least one widely circulated Bangla national daily newspaper within **30 (thirty) days** from end of the period.
35. Dividend shall be paid within **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 (মিউচুয়াল 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 *ডিজিটাল আইন ১৯৯৯* and regulations made there under, units shall only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of units will be issued in dematerialized form only.
An applicant (including NRB) shall not be able to apply for allotment of units without Beneficiary Owner account (BO account).
2. The Asset Management Company shall also ensure due compliance of all abovementioned conditions.

PART-E

General Information:

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

1.6. SUBSCRIPTION:

Subscription to the 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 Iftekhhar
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 (সিউইসিএল ফান্ড) বিধিমালা ২০০১*, 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.

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 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 market 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 ২০০১.

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:

Investment Objective	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.
Investment Exposure & Liquidity	The Fund shall not invest more than 10% of its total assets in any one particular company.
	The Fund shall not invest in more than 15% of any company's total paid-up capital.
	The Fund shall not invest more than 20% in shares, debentures, or other securities of a single company or group.
	The Fund shall not invest more than 25% of its total assets in shares, debentures or other securities in any one industry.
Investment Decision	Only the Asset Management Company will make the investment decisions and place orders for securities to be purchased or sold by the Fund.

3.3. INVESTMENT RESTRICTIONS:

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

1. The Fund shall not invest in or lend to another Scheme under the same Asset Management Company.
2. The Fund shall not acquire any asset out of the Trust property, which involves the assumption of any liability that is unlimited or shall result in encumbrance of the Trust property in any way.
3. The Fund or the Asset Management Company on behalf of the Fund shall not give or guarantee term loans for any purpose.
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 ২০০৯, by the total number of units outstanding. As per section 58 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউচুয়াল ফান্ড) বিধিমালা ২০০৯, 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 ২০০৯, and Trust Deed or any general directions given by the Trustee and/or by the Commission.

3.6. DIVIDEND POLICY:

1. The accounting year of the Fund shall end on June 30 of every calendar year or as determined by the Commission.
2. The Fund shall, as soon as may be, after the closing of the annual accounts, distribute by way of dividend to the holders of the units in accordance with the 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
Total	3.45 percent

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	2,000,000,000	Subscribed
Pre-IPO Placement**	50,000,000	10.00	500,000,000	Subscribed
Resident Bangladeshis	200,000,000	10.00	2,000,000,000	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
Total	500,000,000	10.00	5,000,000,000	

* 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.)
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. 2,000,000,000 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.

7. REDEMPTION / WINDING UP POLICY

7.1. PROCEDURE OF REDEMPTION / WINDING UP:

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

7.2. MANNER OF REDEMPTION / WINDING UP:

1. The Trustee shall call a meeting within 30 (thirty) days from the notice date of the unit holders to consider and pass necessary resolutions by 3/4th (three-fourth) majority of the unit holders present and voting at the meeting for authorizing the Trustee to take steps for winding up of the Fund. If it fails to have three-fourth majority mandate, the Commission shall have the power to supersede the mandate, if situation demands such.
2. The Trustee shall dispose off the assets of the Fund in the best interest of the unit holders, provided that the proceeds of sale made in pursuance of the বিধিমালা, shall in the first instance be utilized towards discharge of such liabilities as are properly due under the Fund and after making appropriate provision for meeting the expenses connected with such winding up, the balance shall be paid to the unit holders in proportion to their respective interest in the assets of the Fund as on the date when the decision for winding up was taken.
3. Within thirty days from the completion of the winding up, the Trustee shall forward to the Commission and the unit holders a report on the winding up containing particulars such as circumstances leading to the winding up, the steps taken for disposal of assets of the Fund before winding up, expenses of the Fund for winding up, net assets available for distribution to the unit holders and a certificate from the auditors of the Fund.

7.3. EFFECT OF REDEMPTION / WINDING UP:

On and from the date of the notice of the winding up of the Fund, the Trustee or the Asset Management Company as the case may be, shall:

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

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

Disclosure in respect of issuance of security demat form

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

Condition for Public Offer, Allotment and Application of units:

8.1. ISSUE OF UNITS:

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
Total	500,000,000	10.00	5000,000,000	

8.2. MINIMUM SUBSCRIPTION FOR THE ISSUE:

The target amount to be raised in respect of the Fund is Tk. 2500,000,000.00 (Two hundred and fifty crore) including Sponsors portion and Pre-IPO Placement. The Fund will follow Rule 48 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিউইসিএফ) বিধিমালা ২০০১ which states that the minimum subscription will be 60 per cent of the Fund's target amount i.e. Tk. 3,000,000,000.00 (three-hundred crore) only including Sponsor's contribution and pre-IPO Placement. The Trustee and Asset Management Company shall be liable to refund the entire amount collected if total subscription is below Tk. 3,000,000,000.00.

8.3. CONDITIONS OF ALLOTMENT:

1. 25,000,000 units of Tk. 10 each will be allotted among Non-Resident Bangladeshis (NRBs), 25,000,000 units of Tk. 10 each will be allotted among Mutual Funds & collective investment schemes, and 200,000,000 units of Tk. 10 will be allotted among Resident Bangladeshis.
2. In case of oversubscription, RACE Management PCL shall conduct an open lottery of all the applications received.
3. **PUBLIC OFFER Distribution System :**
 - a) **Units of Tk. 25 crore (Twenty Five crore)** of total public offering shall be reserved for Non-Resident Bangladeshi (NRB) and **units of Tk. 25 crore**

- (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 **oversubscription under any of the 3 (three) categories** mentioned in para (a), the Asset Management Company shall conduct an open lottery of all the applications received under each category **separately** in accordance with 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 oversubscription in the **general public category**, the Asset Management Company shall conduct an open lottery of all the applicants added together.
 - e) The lottery as stated in para (c) and (d) shall be conducted in presence of the authorized representatives of the SEC, Stock Exchange(s) concerned, Sponsor, Asset Management Company, Trustee and the applicants.
4. Lottery, if needed, shall be conducted in the presence of representatives from the Stock Exchanges, SEC & the applicants, if present.
 5. All applicants shall first be treated as applied for one minimum lot. 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. On the other hand, if there is under-subscription, then all the applicants shall first be distributed with a single lot and thereafter, for the balance amount, lottery, shall be held for the applicants who have applied for multiple lots on the basis of dividing the application money by amount of a market lot separately for both NRB and General Public.
 6. In case of any difficulty in respect to implementation of the conditions of offer and allotment of units, the allotment of units will be made in such a manner as determined by the SEC.
 7. The Fund reserves the right to accept or reject any application in whole or in part.
 8. The Asset Management Company shall issue units allotment advices to all successful applicants within **30 (thirty) days** from the date of the subscription closing date. Within the same time, refund to the unsuccessful applicants shall be made in the currency in which the value of units was paid for by the applicant without any deduction.
- In case of non-allotment of shares, the application money of unsuccessful applicants shall be refunded to the respective banks for onward deposit of the refund money into the applicants' bank accounts as provided in the respective application form for subscription.
- The applicant must mention the bank account in the application form the same bank account as available in the database of Beneficiary Owners Account in the Central Depository for the purpose of refund of application money.

- After completion of remittance of the fund to the respective applicant's bank account, the issuer shall disclose the information in the newspapers where the abridged version of the prospectus has been published. A compliance report in this regard shall be submitted to the Commission within 7 (seven) days from the date of completion of the allotment of units and refund warrants (if applicable).
9. In case of joint application, all correspondence will be made with the person whose name appears first.
 10. Successful applicants will be notified by the dispatch of an allotment advice by registered post/courier. Advice of Allotment and Refund Warrants will be issued within **30 (thirty) days** from the closing of the subscription period. After allotment, the Asset Management Company will have to transfer the units to the allottees' BO account, which has been mentioned in the application form. After completion of remittance of the fund to the respective applicant's bank account, the issuer shall disclose the information in the newspapers where the abridged version of the prospectus was published.
 11. Where allotment is made in whole or in part with respect to joint application, the allotment advice will be dispatched to the person, whose name appears first in the application form, notwithstanding that the units have been allotted to the joint applicants. Where joint application is accepted in part, the balance of amount paid on application will be refunded without interest to the person named first in the application form.
- The Securities and Exchange Commission has decided that the primary shares allotted to an applicant through Public Offer may be forfeited by the SEC, if the BO account of the said applicant is found closed at the time of allotment of units. So, all Public Offer applicants are required to keep their BO accounts operational till allotment of Public Offer units.

8.4. APPLICATION FOR SUBSCRIPTION:

1. Application for units may be made for a minimum lot of 500 (five hundred) units to the value of Tk. 5,000/- (five thousand) and should be made on the Asset Management Company's Printed Application forms. Application forms and the Prospectus may be obtained from the registered office of the Asset Management Company, members of the Dhaka Stock Exchange Limited, the Chittagong Stock Exchange Limited or from the Bankers to the Issue. In case, adequate forms are not available, applicants may use photocopied, cyclostyled, typed/handwritten copies of the forms.
2. Application must not be for less than 500 units and must be for multiples of 500 units. Any Application not meeting the above criteria will not be considered for allotment purpose.
3. Joint Application form for more than two persons will not be accepted. In the case of a joint Application each party must sign the Application form.
4. Application must be in full name of individuals or limited companies or trusts or societies and not in the name of firms, minors or persons of unsound mind. Applications from insurance, financial and market intermediary companies must be accompanied by Memorandum and Articles of Association.
5. 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.
6. **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.**
 7. Bangladeshi Nationals (including Non-Resident Bangladeshis residing/working abroad) shall be entitled to apply for Units.
 8. Application will not be treated as valid if anyone uses a non-scheduled bank for refund of his/her subscription money. To avoid this complication investors are requested not to use the name of any non-scheduled bank for refund of his/her subscription money and also requested to write the correct and full name of bank and branch in application form.
 9. Payment for subscription by investors other than Non-Resident Bangladeshi may be made to the said Branch/Office mentioned below in Cash/Cheque/Pay Order/bank Draft. The Cheque or Pay Order or Bank Draft shall be made payable to the Bank to which it is sent and be marked "**First Bangladesh Fixed Income Fund**" and shall bear the crossing "**Account Payee Only**" and must be drawn on a Bank in the same town of the Bank to which Application form is deposited.
 10. All completed application forms, together with remittance for the full amount payable on application, shall be lodged by investors other than Non-Resident Bangladeshis with any of the branches of the Bankers to the Issue.
 11. A Non-Resident Bangladeshi (NRB) shall apply against the Public Offer either directly by enclosing a foreign demand draft drawn from a Bank payable in Dhaka, or through a nominee (including a bank or a company) by paying out of foreign currency deposit account maintained in Bangladesh, for the value of securities applied for.
 12. The value of securities applied for may be paid in Taka, US Dollar, UK Pound Sterling or Euro at the Spot Buying (IT Clean) rate of exchange prevailing on the date of opening of subscription. Refund against oversubscription of units shall be made in the currency in which the value of units applied for was paid by the applicant. Unit Application Form against the NRB shall be sent by the applicant directly along with a draft or cheque to the Asset Management Company at its Registered Office.
 13. Copies of Application Form and Prospectus shall be available with Bangladesh Embassy/High Commission in USA, UK, Saudi Arabia, UAE, Qatar, Kuwait, Oman, Bahrain, Malaysia and South Korea and the web site of the Asset Management Company, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited and the Securities and Exchange Commission.
 14. A Resident Bangladeshi (RB) applicant cannot submit more than two applications, one in his/her own name and another jointly with other person by one cheque / DD / PO. More than two applications by one cheque / DD / PO will not be allowed.
 15. A Non-Resident Bangladeshi (NRB) applicant cannot submit more than two applications, one in his/her own name and another jointly with other person by one cheque / DD / PO by US\$ / UK Pound sterling / Euro / Taka (supported by foreign currency encashment certificate). More than two applications by one cheque / DD / PO / Taka (supported by foreign currency encashment certificate) will not be allowed.
 - a) The Public Offer subscription money collected from investors (other than Non-Resident Bangladeshis) by the Bankers to the Issue will be remitted to the "**First**

- Bangladesh Fixed Income Fund**" A/C no. 1011360200575 with Eastern Bank Limited, Principal Branch, Dhaka.
- b) The Subscription money collected from Non-Resident Bangladeshis in US Dollar, UK Pound Sterling, Euro shall be deposited to "FC Account(s) for Public Offer."
 - c) In case of oversubscription, refund shall be made by the Asset Management Company out of the "FC Account(s) for Public Offer".
 - d) The Asset Management Company has opened required "FC Account(s) for Public Offer" in US Dollar, UK Pound Sterling, Euro with Eastern Bank Limited, Principle Branch, Dhaka.
 - e) These accounts will be closed after refund of oversubscription, if any.

Currency	Account Number	Bank	Branch
Bangladeshi Taka	BDT# 1011360200575	Eastern Bank Limited	Principal Branch, Dhaka
US Dollar	USD# 1013050200585	Eastern Bank Limited	Principal Branch, Dhaka
UK Pound Sterling	GBP# 1013060200610	Eastern Bank Limited	Principal Branch, Dhaka
EURO	EURO# 1013070200596	Eastern Bank Limited	Principal Branch, Dhaka

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

8.5. REFUND OF SUBSCRIPTION MONEY:

In case of non-allotment of shares, the application money of unsuccessful applicants shall be refunded to the respective banks for onward deposit of the refund money into the applicants' bank accounts as provided in the respective application form for subscription.

The applicant must mention the bank account in the application form the same bank account as available in the database of Beneficiary Owners Account in the Central Depository for the purpose of refund of application money.

After completion of remittance of the fund to the respective applicant's bank account, the issuer shall disclose the information in the newspapers where the abridged version of the prospectus has been published.

8.6. SUBSCRIPTION BY AND REFUND TO NON RESIDENT BANGLADESHI:

1. A Non-Resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable in Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of units applied for through crossed bank cheque marking "Account Payee only".
2. The value of units applied for by such person may be paid in Taka or US dollar or UK pound sterling or Euro at the rate of exchange mentioned in the units application form.
3. Refund against oversubscription shall be made in the currency in which the value of units was paid for by the applicant. The application money of unsuccessful applicants shall be refunded to the respective bank for onwards deposit of the refund money into the applicant's bank account as specified in the respective Public Offer Application Forms.

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

Investment Corporation of Bangladesh (ICB)	
1. Head Office, NSC Tower, Dhaka	51. Narshingdi Branch, Narshingdi
2. Chittagong Branch, Agrabad, Chittagong	52. Samsojil Road Branch, Dhaka
3. Rajshahi Branch, Shaheb Bazar, Rajshahi	53. Dinapur Branch, Dinapur
4. Khulna Branch, Shilpa Bank Bhaban, Khulna	54. Bhairab Branch, Kishongonj
5. Barisal Branch, Hemayet Uddin Road, Barisal	55. Dagonbhuiyan Branch, Feni
6. Sylhet Branch Anondo Tower, Jail Road, Sylhet	56. Gobindaganj Branch, Gaibandha
7. Bogra Branch, Afzar Ali Complex, Raja Bazar Bogra,	57. Bhula Branch, Narayanganj
8. Local Office, Naya Paltan, Dhaka	58. Narayanganj ISCC Branch, Narayanganj
	59. Tongji Branch, Gazipur
	60. Sathkhira Branch, Sathkhira
	61. Madaripur Branch, Madaripur
	62. Munshiganj Branch, Munshiganj
	63. Habiganj Branch, Habiganj
	64. Chittagang EPZ Branch, Chittagang
	65. Faridpur Branch, Faridpur
	66. Shahajal Uposohor Branch, Sylhet
	67. Tangail Branch, Tangail
	The City Bank Limited
	1. B.B Avenue Br., Dhaka
	2. Dhaka Chamber Br., Dhaka
	3. Dhanmondi Br., Dhaka
	4. Shaymoli Br., Dhaka
	5. Imamgonj Br., Dhaka
	6. Johnson Road Br., Dhaka
	7. Karwan Bazar Br., Dhaka
	8. New Market Br., Dhaka
	9. VIP Road Br., Dhaka
	10. Islampur Br., Dhaka
	11. Nawabgonj Br., Dhaka
	12. Nawabpur Br., Dhaka
	13. Pragati Sarani Br., Dhaka
	14. Tanbarar Br., Narayanganj
	15. Zinzira Br., Dhaka
	16. Tongji Br., Gazipur
	17. Agrabad Br., Chittagong
	18. Jubilee Road Br., Chittagong
	19. Khatungonj Br., Chittagong
	20. Andarkilla Br., Chittagong
	21. Cox's Bazar Br., Chittagong
	22. Chawkbazar Br., Chittagong
	23. Pahartoli Br., Chittagong
	24. Comilla Br., Comilla
	25. Narsingdi Br., Narsingdi
	26. Zinda Bazar Br., Sylhet
	27. Bandar Bazar Br., Sylhet
	28. Amborkhana Br., Sylhet
	29. Moulvi Bazar Br., Sylhet
	30. Rajshahi Br., Rajshahi
	31. Bogra Br., Bogra
	32. Rangpur Br., Rangpur
	33. Sirajgonj Br., Sirajgonj
	34. Khulna Br., Khulna
	35. Sylhet Branch, Sylhet
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First Bangladesh Fixed Income Fund

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

FIRST BANGLADESH FIXED INCOME FUND

Application Form

APPLICATION FOR UNITS BY NON RESIDENT BANGLADESHI(S)

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

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

RACE Management PCL
Al Razi Complex (3rd Floor)
166-167 Shaheed Syed Nazrul Islam Sarani
Purana Paltan, Dhaka-1000

(Please fill in CAPITAL letters)

Dear Sir,

I/We apply for and request you to allot me/us the number of Units and I/we agree to accept the same or any smaller number that may be allotted to me/us upon terms of the Fund's approved Prospectus and subject to the Fund's Deed of Trust. Further, I/we authorize you to place my/our name(s) on the Register of Member(s) of the Fund and deposit the said units to my/our Depository (BO) Account and/or a crossed (A/C Payee Only) cheque in respect of any Application money refundable by post/courier at my/our risk to the first applicant's address stated below:

- 1. No. of Units of Tk 10/- each.
2. Amount of Tk (in figure) (in words)only convertible into US Dollar 1.00 = Tk and UK Pound Sterling 1.00 = Tk and Euro 1.00 = Tk.
3. Payment by Cheque/Draft No.date for US Dollar/ UK Pound Sterling/Euro/ Tk. drawn on Bank Branch

4. Depository (BO) Account No: [grid]

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

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

a) Sole/First Applicant

Form with fields: Name: Mr./Mrs./Ms., Father's/Husband's Name, Mother's Name, Postal Address, Occupation, Nationality, Passport No., Valid Up to, Date of Birth, Telephone (if any), For refund purpose, Applicant's Bank A/C No, Name of the Bank, Branch

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.

b) Second Applicant

Form with fields: Name: Mr./Mrs./Ms., Father's/Husband's Name, Mother's Name, Postal Address, Occupation, Nationality, Passport No., Valid Up to, Date of Birth, Telephone (if any)



First Bangladesh Fixed Income Fund

7. I/we hereby declare that I/we have read the Prospectus of FIRST BANGLADESH FIXED INCOME FUND, and have willingly subscribed for number of Units of Tk.10 each on this form.

8. Specimen Signature(s)

Table with 2 columns: Name (in Block Letters), Signature. Rows for 1st Applicant, Second Applicant, and Nominee's Name.

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.