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PROSPECTUS

Sandhani Life Unit Fund

Size of Issue

Initial Size Tk 50,00,00,000 (Taka fifty crore) of 5,00,00,000 (five crore) Units of Tk 10 (Taka Ten) each

Initial/Opening Price

Tk 10 (Taka Ten) per Unit

Asset Manager

Alif Assets Management Limited

Sponsor

Sandhani Life Insurance Co. Ltd

Trustee

Bangladesh General Insurance Company Limited (BGIC)

Custodian

BRAC Bank Limited

Subscription Opens

9th October, 2011

Registered Office

Eastern Nibash (3rd Floor), 138 Gulshan Avenue, Gulshan 2,
Dhaka 1212

Email: info@alif-amc.com

Date of Publication of Prospectus

3rd October 2011 in “The Daily Prothom Alo”
and

3rd October 2011 in “The Financial Express”

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Fund Directory

Registered office:	Eastern Nibash (3rd Floor) 138 Gulshan Avenue, Gulshan 2, Dhaka 1212, Bangladesh. Tel: +88 (02) 8881155
Sponsor:	Sandhani Life Insurance Co. Ltd. Taranga Complex (3 rd floor) 19 Rajuk Avenue, Motijheel C/A Dhaka -1000
Trustee:	Bangladesh General Insurance Company Limited 42, Dilkusha Commercial Area Dhaka 1000, Bangladesh Tel: +88 (02) 9555073-74
Custodian:	BRAC Bank Limited 1, Gulshan Avenue Dhaka 1212, Bangladesh Tel: +88 (02) 9884292
Asset Manager:	Alif Assets Management Limited Eastern Nibash (3rd Floor) 138 Gulshan Avenue, Gulshan 2, Dhaka-1212, Bangladesh. Tel: +88 (02) 8881155 <u>Purana Paltan branch office:</u> Alif Assets Management Limited Paramount Heights (6 th Floor) 65/2/1 Box Culvert Road Purana paltan, Dhaka.
Auditor:	S. F Ahmed & Co. Chartered Accountants House # 25, Road # 13A, Block # D Banani, Dhaka 1213, Bangladesh Tel: +88 (02) 8825135
Banker:	BRAC Bank Limited 1, Gulshan Avenue Dhaka 1212, Bangladesh Tel: +88 (02) 9884292

Selling Agents:

SL No.	Name of the Selling Agent	Branch Name	Branch Location	Branch Phone
I. Banks' Brokerage houses				
1	City Brokerage Limited	Head Office	Jiban Bima Tower (1st and 2nd floor), 10 Dilkusha C/A Dhaka-1000	T: 9553918 T: 7116310 PABX: 9565925-34 F: 88-02-6565913
		Gulshan	Hosna Centre (2nd Floor), Suit No. 211-212, Plot-2, Block- CES(A). Gulshan model Town. 106 Gulshan Avenue Dhaka-1212	PABX: 8825243 PABX: 8825301 F: 88-02-8825236
		Dhanmondi	Road#27 (old), 32(new) House#312, Suvastu Zenim Plaza, 2nd Floor, Dhanmondi, Dhaka-1205	PABX: 9101341 F: 88-02-9101342
		Nikunja	57 Zoar Shahara C/A Lotus Kamal Tower (Ground Floor). Nikunja-2 Dhaka 1229	PABX: 8915330 F: 88-02-8915363
		Chittagong	Ayub Trade Center (6th Floor) 1269/B, SK Mujib Road, Agrabad. Chittagong-4000	T: 01913-515414
		Sylhet Office	Holy Complex (1st Floor) East Dorgha Gate, Sylhet-3100	T: 01713-363047
2	NBL Capital and Equity Management Ltd. (Brokerage Unit)		18 Dilkusha (4th Floor) Dhaka-1000	T: 1720580058
		Imamgonj	1 Moulovi Bazar (2 nd Floor), Dhaka.	T: 1815118959
		Mirpur	Plot#04, Block# Ka Section#06 Mirpur 01 Dhaka-1216	T: 1715962876
		Shimanto	Shimanto Square (4th Floor) 80 Pilkhana, Dhaka	T: 1817506929
		Banani	Abedin Tower (1st floor) 35 Kamal Atatürk Avenue Dhaka-1213	T: 173105080
		Anderkilla	KB Aman Ali Tower (2nd Floor) Kotwali, Chittagong	T: 1819387757
		Agrabad	Lokman Tower (Gr. Floor) 1646 Sk. Mujeeb Road Agrabad C/A, Chittagong	T: 1815118959



II. Leading Brokerage House				
3	Mona Financial Consultancy & Securities Ltd.	Head Office	Room # 413/417, DSE Building 9-F, Motijheel C/A Dhaka-1000.	T: 02- 9551259 T: 02- 9553302
		Motijheel Extension (1)	16, Motijheel, C/A (3rd Floor) East side, Dhaka 1000,	T: 02-9563270 T: 1920797550
		DOHS	House#411,Road# 29, New DOHS,Mohakhali, Dhaka-1206	T: 02-8711571 T: 02-8711863 T: 01819-814363
		Gulshan	Navana Tower (5th Floor) 45 Gulshan Avenue, Dhaka-1212	T: 02-8831934 T: 01817-505233
		Mohammadpur	16-A/3 (2nd Floor) Ring Road, Mohammadpur Dhaka-1207	T: 02-9122792 T: 01819814242
		Mirpur	Madbar Mansion, (4rth Floor) House no.: 3, Road no.:3 Rokeya sarani, Mirpur-10, Dhaka-1216	T: 02-8035091 T: 02-8035145 T: 1920-173272
4	IIDFC Securities Limited	Registered Office	Eunoos Trade Center(level-7), 52-53 Dilkusha, Dhaka-1001	T: 9560526 F: 9570756
		Gulshan	Uday Tower(8th Floor), plot no.57-57A, Gulshan Avenue(South) Dhaka	T: 8824090 F: 8824073
		Chittagong	C&F Tower, 4rth Floor, 1222 Sk Mujib Road,Agrabad C/A Chittagong	T: 031-2516693 04436-140096 F: 2516694
5	International Leasing Securities Ltd.	Head Office	Printers Building (3rd Floor), 5 Rajuk Avenue. Dhaka-1000, Bangladesh	T: 02-7174603 F: 7166093
		Agrabad	Ayub Trade Centre (1st Floor), 1269/B Sk. Mujib Road, Agrabad C/A Chittagong-4100	T: 031-2514621-6 F: 031-2514620
		Khatungong	BSM Centre 2nd floor, 199/122 Amir Market Khatungong, Chittagong-4100	T: 031-2866971-4 F: 031-2866975
		Sylhet	Firoz Centre (5th floor). Chouhatta, Sylhet Sadar, Sylhet-3100	T: 0821-7174603 F: 7166093



SL No.	Name of the Selling Agent	Branch Name	Branch Location	Branch Phone
6	Multi Securities and Services	Motijheel	Shareef Mansion (6th & 7th Floor) 56-57 Motijhil C/A Dhaka-1000	T: 01811-409013
		Agrabad	95 Commercial Court (4th Floor)Agrabad, Chittagong	T: 1730-738674
		Khulna	141, Sir Iqbal Road, Khulna	T: 1730-738691
		Bogra	Nurul Hoque Tower (3rd Floor) Borogola, Bogra	T: 1730-738687
7	Shakil Rizvi Stock Limited.	Corporate Head Office	158-160, Motijhil C/A, 4rth Floor, Dhaka-1000	T: 7170993,7170994, T: 9570976,9570985, T: 7121352,7121357, T: 7162669,7120899, T: 7122798,9166096, T: 017176-480788
		Extension of Head office	9/E Motijhil C/A 8th Floor. Dhaka-1000	T: 7170993,7170994, T: 9570976,9570985, T: 7121352,7121357, T: 7162669,7120899, T: 7122798,9166096, T: 01917-217094
		Extension of Head office	161 Motijhil C/A 4th Floor Dhaka-1000	T: 7170993,7170994, T:9570976,9570985,T : 7121352,7121357, T: 7162669,7120899,
		Dhanmondi	Eastern Elite Centre, House#50 (new)(3rd Floor) Rd#9/A, Satmosjid Road. Dhanmondi R/A, Dhaka 1209.	T: 02- 8144592 T: 01717-559983
		Shantinagar	Treasure Island (4rth Floor) 42-43, Shideshwari. Circular road, Dhaka-1217.	T: 02-9342489 T: 01748-208387
		Mirpur	Totamia complex (1st Floor) plot# 14&15, Senpara parbata, Mirpur-10, Dhaka	T: 02-8056986 T: 01819-870705
		Chittagong	Akhteruzzaman Centre(7th Floor) 21/22 Agrabad C/A, Chittagong	T: 01974-187271
		Madhabdi	Rajib Tower, 2nd Floor Girls school Road, Madhabdi Pouroshova. Thana: Madhabdi, Dist: Madhabdi.	T: 01616-400800 T: 01712-055103



SL No.	Name of the Selling Agent	Branch Name	Branch Location	Branch Phone
8	PHOENIX Securities Ltd.	Head Office	Phoenix Bhaban (1st Floor), 12, Dilkusha, Dhaka-1000	T: 02-7160279 F: 88-02-7126189
		Modhumita	Modhumita building, 4rth floor, 158-160,Motijheel C/A, Dhaka-1000	T: 9515642 T: 7123582 F: 88-02-7126189
		Imamgonj	Al-Falah market, 144 midfort Road, Lalbagh, Imamgonj, Dhaka	T: 7343391-2
		Uttara	Syed Grand centre,5th Floor, Road:28, Sector-7 Uttora, Dhaka	T: 8913026 T: 8913027 F: 8963529
		Gulshan	Navana Tower,(6th Floor) Plot-45, Gulshan circle-1, Dhaka-1212	T: 8816817 T: 8816818 F: 88-02-8817626
		Chittagong	C&F Tower, 2nd Floor, 1222 Sk Mujib Road, Agrabad C/A, Chittagong	T: 031-2516111-2 F: 88-031- 2516114
		Sylhet	Sylhet City centre,(5th Floor) Zindabazar, Sylhet-3100.	T: 0821-717868 F:88-0821-717884
9	Reliance Brokerage services LTD.	Head Office	WW Tower (Level 14) 68 Motijhil C/A Dhaka.	T: 02-7117798
		Pathantooly	Ajmal Arcade (2nd Floor), 1806, Sk. Mujib Road, Pathantooly Chittagong.	T: 031-2519392 T: 031-2513713
		Khatongonj	40, Asadgonj (1st Floor). Chittagong.	T: 031-2866450-3
10	Uniroyal Securities Limited	Head Office	45,Dilkusha C/A (2nd Floor) Dhaka-1000	PABX: 9563073-4
		Extension Office	RM 512, 9/F Motijhil C/A Dhaka-1000	PABX: 9564601 (EXT: 512) T: 02-9558529
		Dhanmondi	Suite#202, HS 140/A (31 new) Road # 2, Dhaka-1205	T: 02-8613215 T: 02- 9675071
		Gulshan(PROPOSE D)	51 Gulshan South Avenue (5th Floor), Dhaka-1212	T: 1715280841
11	Salta Capital Limited	Dhaka	Suite#1002. MadhumitaCinemahall Building (9 th Floor)Motijhil C/A Dhaka-1000	T: 02-9563115 T: 02-9563929 T: 02-7162063
		Chittagong	Manzur Building (3rd Floor) 67 Agrabad C/A, Chittagong	T: 031-718871 T: 031-713934
		Sylhet	Room No. 701, R.N. Tower	T: 0821-722519



			Chowhatta, Sylhet	T: 0821-2832018
		Rajshahi	Anannya Complex Opposite of Nice Hotel, Shahab Bazar, Rajshahi	T: 0721-812639
12	Stock and Security Linkway Limited	Chittagong	IFCO Complex (6th Floor) 1147/A CDA Avenue. Nasirabad, G.E.C Circle. Chittagong	T: 031-2552873 T: 01675-628568
III. Direct Sales Agent				
13	Fame & Faith	Dhaka	107 Motijheel C/A (5th Floor), Dhaka-1000	T: 7124112 T:7112307 T: 01713145303
IV. Life Insurance Distribution agents				
SL No.	Name of the Selling Agent	Branch Name	Branch Location	Branch Phone
14	Sandhani Life Insurance Co. Ltd.	Bogra Service Point	Borogola, Nurul Haque Tower (5th Floor),Bogra	01819-710793
		Chittagong Service Point	2470/A. Agrabad Center, Shekh Muzib Road ,Agrabad C/A, Chittagong	01819-813151
		Comilla Service Point	Safor Uddin Plaza (2nd Floor), Racecourse, Comilla	01819-260021
		Dhaka Service Point	Ringroad, Mohamedpur, Dhaka	01817-031291
		Faridpur Service Point	Sornamoye Plaza, Mojib Road, Brack Bank Building, Faridpur	01819-814925
		Gazipur Service Point	Digirchala, Mymensingh Road, Chandina, Gajipur	01817-041974
		Khulna Service Point	34. K.D.A avenue. Khalil chamber, p.o+p.s: khulna, khulna	01819-814356
		Sylhet Service Point	Asia Antorjatic Market, Jindabazar, Sylhet	01819-813152
		Agrabad	314. Shekh Muzib Road, (2nd Floor) Agrabad C/A, Chittagong.	01817-210151
		Bahaddarhat	671/D, C.D.A Shulakbahar, P.O: Bahaddarhat, P.S: Pachlaish, Chittagong	01817-210162
		Mirjarpul	S.M. Towar (4th Floor) 1105 CDA Avenue Purba Nasirabad, Chittagong	01817-210163
		Highwayplaza	600, C D A. Avenue. Lalkhan bazar, Chittagong	01817-210160
Kazir Dewri	Mallik Bhaban (2nd Floor), 37	01817-210150		



		Kazir Dewri, Chittagong.	
	Sholoshahar	1144 Bayejid Bostami Road, 2 No Railway Gate Nur Bhaban, (1st Floor) Chittagong	01813-145645
	Chittagong Road	Haji A. Rahaman Supar Markat. Shimrail, Shiddergonj, Narayangong	01817-030901
	Jirani Bazar	Madina Super Market, Jirani Bazar, B,K,S,P, Savar, Dhaka	01817-031219
	Kachpur	Vill: Kachpur, Kachpur Bazar, P.S: Sonargon, Narayangong,	01817-041219
	Mirpur-1	Mitali Markat. Bari-4. Prodhon Sharok,. Section-1. Mirpur, Dhaka	01817-031275
	Munshigong	M.S Munshigong Plaza, (3rd) Puraton Kasari, Munshigong	01817-031278
	Shaymoli	14. No Shaymoli, 87/1 Purbo Kazipara, Mirpur Dhaka,	01817-031274
	Chandpur	Comilla Road, Kalibari Mor, P.O+Dist, Chandpur,	01817-293018
	Faridpur	Mujib Sarok, Pubali Bank (2nd Floor) , PS-Kotowali , Faridpur.	01817-031213
	Kushtia	Lovely Tower, (6th Floor) N,S Road, Kushtia	01817-030906
	Bogra	Pubali Bank (3rd Floor) Borogola, PO+PS+Dis-Bogra	01819-850324

Application Collection Bank

BRAC Bank Limited is appointed as the collection bank for Sandhani Life Unit Fund. The following branches are nominated by BRAC Bank to collect the application forms from investors during the initial subscription period. At the end of Initial subscription period all sales, repurchase/surrender proceed to be credited through BRAC bank and application forms to be collected through sales agent.

Region	Sl. No.	Branch	Address
Dhaka	1	Asad Gate Branch	1 No. Asad Gate, Dhaka-1205
	2	Bashundhara Branch	Holding-193, Block-B, Safwan Road, Bashundhara R/A, Dhaka
	3	Donia Branch	342, Donia, Biswa Road, Dhaka-1236
	4	Eskaton Branch	Shahnaz Tower,9, New Eskaton Road, Dhaka
	5	Grapics Building Branch	Graphics Building,9/G, Motijheel, Dhaka
	6	Manda Branch	Holding#96,Monkha Bazar, North Manda, Dhaka
	7	Mirpur Branch	Plot no 3, Road No 3,Block A, Sector 11,Mirpur, Dhaka
	8	Narayanganj Branch	147 B B Road, Narayanganj 1400
	9	Nawabpur Branch	172 Nawabpur Road,(1st Floor) Dhaka
	10	Rampura Branch	455/1 West Rampura, Dhaka-1219
	11	Shyamoli Branch	19-20 Ring Road, shyamoli, Dhaka
	12	Uttara Branch	House no-1, Road no-15, Sector 3, Uttara, Dhaka
Chittagong	13	Agrabad Branch	Progoti House,1070 Sheikh Mujib Road, Agrabad, Chittagong
	14	CDA Avenue Branch	Hosna Kalam Complex, CDA Avenue, East Nasirabad, Chittagong
	15	Halisohor Branch	House-12,Road-1,Halisharar Housing Estate, Chittagong
	16	Kazirdeuri Branch	18 S S Khalid Road, Kazir Deori,Khulshi, Chittagong
	17	Momin Road Branch	02 Momin Road, Jamal Khan, Chittagong
Bogra	18	Bogra Branch	Sheikh Mansion, 368/405 Rangpur Road, Barogola, Bogra
Rajshahi	19	Rajshahi Branch	House No-F-695,Kumarpara, P.O. Ghoramara, Rajshahi-6100
Khulna	20	Jessore Branch	1 Hatkhola (M.K) Road,Jessore – 7400
	21	Khulna Branch	"The Daily Probaha Bhaban",KDA Avenue, Khulna
Barisal	22	Barisal Branch	F. Rahman Market, (1st Floor),79,Sadar Road, Barisal
Sylhet	23	Zindabazar Branch	New Golden City Complex, East Zindabazar, Sylhet.

Definitions and Elaboration of Abbreviated Terms

Asset Manager / Asset Management Company / Fund Manager / Investment Manager :	Alif Assets Management Limited (Alif Assets)
Certificate:	Unit Certificate of the Fund
Commission:	Securities and Exchange Commission
Custodian:	BRAC Bank Limited
Effective Date:	The date of registration of the Trust Deed
Government:	The Government of the People's Republic of Bangladesh
Guardian:	The Trustee of the Sandhani Life Unit Fund
Mutual Fund / The Fund / Unit Fund /Open End Mutual Fund:	Sandhani Life Unit Fund
Rule/ $\omega\epsilon\omega\alpha\gamma\tau\phi\tau$:	$\omega\mu\omega\kappa\Delta\omega\iota\omega\Upsilon\text{P I}\Gamma\bullet\text{P}\otimes\text{K}\omega\gamma\kappa\beta$ ($\omega\gamma\Delta\text{P}\zeta\blacklozenge\theta\tau\phi\delta\tau\leftrightarrow$) $\omega\epsilon\omega\alpha\gamma\tau\phi\tau$, 2001
Sponsor:	Sandhani Life Insurance Co. Ltd.
Trustee:	Bangladesh General Insurance Company Limited
BBL:	BRAC Bank Limited
BDT:	Bangladeshi Taka
BGIC:	Bangladesh General Insurance Company Limited
CAGR:	Cumulative Average Growth Rate
CIP:	Cumulative Investment Plan
CSE:	Chittagong Stock Exchange Ltd
DSE:	Dhaka Stock Exchange Ltd
EPS:	Earnings Per Share
FIS:	Fixed Income Securities
IPO:	Initial Public Offering
IDRA:	Insurance Development & Regulatory Authority
CEO:	Chief Executive Officer
NAV:	Net Asset Value
SEC :	The Securities and Exchange Commission
SME :	Small and Medium Enterprise

Fund Highlights

1. Name:	Sandhani Life Unit Fund
2. Initial size of the Fund	Tk. 50,00,00,000 (Taka fifty crore) divided into 5,00,00,000 (five crore) units of Tk 10 (Taka Ten) each
3. Face value	Tk. 10 (Taka Ten) per Unit
4. Nature	Open end with perpetual life and unlimited size
5. Objective	The objective of the Fund is to provide attractive risk adjusted return to the unit holders by investing the proceeds in the capital market and money market.
6. Target group	Individuals – both resident and non-resident, institutions – Both local and foreign, mutual funds and collective investment schemes are eligible to subscribe the units of the Fund.
7. Dividend	Minimum 70 (seventy) per cent of realized income of the Fund will be distributed as dividend in Bangladeshi Taka only at the end of each accounting year.
8. Dividend distribution	The dividend warrant will be distributed within 30 (thirty) days from the date of declaration.
9. Transferability	The units of the Fund are transferable by way of Inheritance/ gift and/or by specific operation of the law.
10. Encashment	The unit holders can surrender their units through the Asset Manager. Therefore, investment in this Fund will be easily encashable.
11. Reports and Accounts	Every unit holder is entitled to receive annual report along with the yearly and half-yearly statements of accounts as and when published.

CHAPTER 1 : PRELIMINARY

1.1 Publication of Prospectus for public offering

Alif Assets Management Limited has received Registration Certificate from the Securities & Exchange Commission under Securities & Exchange Commission Act, 1993 and সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ made there under and also received consent for issuing prospectus for public offering. A complete copy of the prospectus of the public offering is available for public inspection at Eastern Nibash (3rd Floor), 138 Gulshan Avenue , Gulshan 2 , Dhaka 1212, the corporate office of Alif Assets Management Limited – the asset manager of the Sandhani life Unit Fund, hereinafter referred to as the Fund.

1.2 Consent of the Securities and Exchange Commission

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

1.3 Listing of Fund

The Fund, being an open-ended one, will not be listed with any stock exchanges of the country hence the units of the Fund will not be traded in the stock exchanges unless otherwise SEC and stock exchange houses make arrangement in future. In that case public communication will be made as per SEC approval. Unit certificates will always be available for sale and surrender/repurchase except on the last working day of every week and during book closure period of the Fund at the corporate office of Alif Assets and the authorized selling agents. Alif Assets shall disclose selling price and surrender value/repurchase price of unit at the beginning of business operation on the first working day of every week as per $\omega\epsilon\omega\alpha\gamma\tau\phi\tau$.

1.4 Documents available for inspection

1. Copy of this Prospectus will be available at the corporate office of Alif Assets and offices of the authorized selling agents of the Fund.
2. Copy of the Trust Deed and the Investment Management Agreement will be available for public inspection during business hours at the corporate office of the Asset Manager of the Fund.

1.5 Conditions under section 2CC of the Securities and Exchange Ordinance, 1969

1. The Fund shall not account for any upward revaluation of its assets creating reserve without clearance from the Securities and Exchange Commission;
2. The Fund shall not be involved in option trading, short selling or carry forward transaction;
3. Unit Certificates shall be issued at the cost of the Fund at par value of Tk. 10.00 (Taka ten) each within 90 (ninety) days from the date of sale of such units;
4. Money receipt /acknowledge slip issued at the time of sale of units will be treated as allotment letter, which shall not be redeemable/transferable;
5. The annual report of the Fund/or its abridged version will be published within 45 (forty five) days of the closure of each accounting year of the Fund;
6. An annual report and details of investment and savings of the Fund shall be submitted to the Commission, Trustee and Custodian of the Fund within 90 (ninety) days from the closure of the accounts;
7. Half-yearly accounts/financial results of the Fund will be published in at least one English and another Bangla national daily newspaper within 30 (thirty) days from end of the period;
8. 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;
9. Net Asset Value (NAV) of the fund shall be calculated and disclosed publicly at least once a week;
10. After initial public subscription, the sale and repurchase/surrender price of units will be determined by the Asset Management Company. NAV calculated on a date shall form the repurchase price of units by rounding up the amount and shall be effective up to next calculation of NAV of the Fund. Difference between sale and repurchase price shall not be over 5% of the face value of the unit;
11. SEC may appoint auditors for special audit/investigation on the affairs of the Fund, if it so desires;
12. The Fund shall maintain separate bank account(s) to keep the sale proceeds of units and to meet up day-to-day transaction including payment against Repurchase of units. All transactions of the account shall be made through banking channel and shall be properly documented;
13. The prospectus/abridged version of the prospectus shall be published in one widely circulated Bengali national daily newspaper. Provided that information relating to publication of prospectus be published in 2 national daily newspapers (Bengali and English);
14. If abridged version of the prospectus is published in the newspaper, complete prospectus shall be made available to the applicants;
15. If the Fund Manager fails to collect the minimum 60% of the initial target amount under section 48 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, will refund the subscription money within

- 30 days without any deduction. In case of failure, the Fund Manager will refund the same with an interest @ 18 percent per annum from its own account within the next month;
16. On achievement of 60% of the initial target amount, the fund is allowed to commence investment activities of the fund with permission of the Trustee;
 17. The size of the Fund will be increased from time to time by the AMC subject to approval of the Trustee and with intimation to the Commission;
 18. Unit certificates of the Sponsor's contribution amounting to Tk. 10,00,00,000/- (Tk. ten crore) only shall be subject to a lock in period of minimum three years from the date of formation of the fund and after that period entire holding may be transferred to any eligible institution who has the qualification to be a sponsor of a mutual fund with prior permission of SEC.
 19. A Jumbo Certificate amounting Tk. 10,00,00,000/- (20% of the Fund) will be issued in favour of the Sponsor. The said certificate shall be in the custody of Trustee. No splitting of the certificate shall be made without prior approval of the Commission.

1.6 General Information

1. This prospectus has been prepared by Alif Assets Management Limited based on the Trust Deed executed between the Trustee and the Sponsor of the Fund, which is approved by the Commission and available publicly. The information contained herein is true and correct in all material aspects and that there are no other material facts, the commission 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 Alif Assets Management Limited.
3. The issue as contemplated in this document is made in Bangladesh and is subject to the exclusive jurisdiction of the court of Bangladesh. Forwarding this prospectus to any person residing outside Bangladesh in no way implies that the issue is made in accordance with the laws of that country or is subject to the jurisdiction of the laws of that country.

1.7 Sale and Repurchase of Units

Sale and repurchase of Units of Sandhani life Unit Fund will commence at the counter of Purana Palton branch office of Alif Assets Management Ltd (*Alif Assets Management Limited, Paramount Heights, 6th Floor 65/2/1, Box Culvert Road, Purana Paltan, Dhaka*) and authorized selling agents at the opening of banking business hours on 9th October, 2011 and continue until winding up of the Fund.

1.8 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 Sandhani Life Unit Fund. To the best of the knowledge and belief of the Sponsor, who has taken all reasonable care to ensure that all the conditions and requirements concerning this public offer and all information contained in this document, drawn up by virtue of the Trust Deed of the Fund by the entrusted Asset Management Company, 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 a decision for investment.

Sd/-
(Dr. Capt. Mazharul Hosain (Retd.)
DMD & Company Secretary
Sandhani Life Insurance Co. Ltd.

Declaration about the responsibility of the Custodian

We, as Custodian of the Sandhani Life Unit Fund, accept the responsibility and confirm that we shall:

- i keep all the securities in safe custody and shall provide the highest security for the assets of the Fund; and
- ii Preserve necessary documents and record so as to ascertain movement of assets of the Fund as per সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১

Sd/-
(Khwaja Shahriar)
Head of Cash Management,
Custodial Services & Probashi Banking
Wholesale Banking Division
BRAC Bank Limited

Declaration about the responsibility of the Trustee

We, as Trustee of the Sandhani life Unit 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 and 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 disclosures by the Asset Management Company to the investors as are essential in order to keep them informed about any information, which may have any bearing on their investments; and
- e) take such remedial steps as are necessary to rectify the situation where we have reason to believe that the conduct of business of the Fund is not in conformity with relevant Rules.

Sd/-
(Ahmed Saifuddin Chowdhury)
Additional Managing Director (Operation)
& Company Secretary
Bangladesh General Insurance Company Limited

Declaration about the responsibility of the Asset Manager

This Prospectus has been prepared by us based on the Trust Deed, the Investment Management Agreement, the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ and other related agreements and examination of other documents as relevant for adequate disclosure of the Funds objectives and investment strategies to the investors. We also confirm that:

- i. the prospectus is in conformity with the documents, materials and papers related to the public offer;
- ii. all the legal requirements of the public offer have been duly fulfilled; and
- iii. 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 such no guarantee can be made about the returns from the investments that the Fund will make. Like any other equity investment, only investors who are willing to accept a moderate account of risk, should invest in the Fund. Investors are requested to pay careful attention to the “Risk Factor” as detailed in the Risk Factor section and to take proper cognizance of the risks associated with any investment in the Fund.

Sd/-
(Md. Azimul Islam)
Chief Financial Officer (CFO)
Alif Assets Management Limited

CHAPTER 2 : BACKGROUND

2.1 Preamble to formation of Sandhani life Unit Fund

Open-end Unit fund is one of the most widely accepted investment options for individual and institutional investors across the world. Investor gets instant access to a hundreds of individual stocks or bonds screened by professional portfolio manager by investing in Unit Fund like Sandhani Life Unit Fund.

- *Unit Fund introduction in Bangladesh:* Investment Corporation of Bangladesh (ICB) introduced unit fund, open-end mutual fund in 1981. Later ICB Asset Management Company, a subsidiary of ICB, has launched two more unit funds. To offer benefits of disciplined investment strategies through Unit Fund, Sandhani life insurance company Ltd, one of the leading life insurance companies, has come forward to sponsor the Unit Fund.
- *Saving tool:* In developed markets Unit funds are traded across the banking and non banking distribution channels side by side with bank accounts, term deposit accounts, bond and government securities (like Shanchoy patra in Bangladesh). As an example, in our neighbor country India, Unit Funds can be purchased and sold through major post offices due to their wide acceptance as savings tool to general investors.
- *Shifting investor preferences on longer-term investment products:* We, Sandhani Life Insurance and Alif Assets Management have taken into consideration the patterns of mutual fund ownership and distribution in developed nations and we feel there are shifting investor preferences on professionally managed long term investment products like Unit Fund. We also feel there are ample opportunities for development of distribution channels across the country.
- *Reaching the smallest:* Other than active retail and institutional investor we also want to reach small investors those who would like to start making small investment in capital market. Unit funds historically offers steady return at end of the year less volatile due to diversification and follow long-term investment strategies.

Under above consideration we would like to position Sandhani Life Unit Fund as investment alternative to join the rising tide of development of Capital Market in Bangladesh.

The trusted partners of the fund are: Sandhani Life Insurance Company limited as the Sponsor, Alif Assets Management Ltd a member of Alif Group as the Asset Management Company, Bangladesh General Insurance Company Limited (BGIC) as the Trustee and BRAC Bank Limited as the Custodian of the Fund.

2.2 Necessity of unit fund in the context of the current state of the capital market

The capital market of Bangladesh has experienced an enormous growth in 2010 and in 2011 so far the capital market is stabilizing after very volatile start in quarter one of 2011. The market continues to be dominated by active local retail participation along with domestic institutional participation. The current

volatile market has prompted lot of new initiatives from the government, SEC, other market regulators and all market participants to improve efficiency of the market and attract new investors in the market. The need for professionally managed investment products is never felt so strong in line with current market sceneries. Unit Fund is traded around the NAV (Net asset Value), traded across the designated distribution channel and offer alternative savings options for investors.

The changing distribution dynamics of financial products and investor behavior on stable investment return and market trends point expansion of Unit Fund market in Bangladesh.

Building investors' trust and increased customer awareness through initiatives like Unit Fund aimed at promoting financial literacy will be critical factors towards building greater retail participation. It is therefore an opportune time for the trusted partners of Sandhani Life Unit Fund like Sponsor, Trustee, Custodian and Sales Agents to launch the Unit Fund.

2.3 Advantages in investing in Sandhani life Unit Fund

The investors of Sandhani life Unit Fund will enjoy some distinct incremental advantages. Some of them are highlighted below.

- I. **Lower investment risk through diversification:** This Fund will help lower the investment risk of small investors because of the diversified fund portfolio. The diversified portfolio of the Fund will also help the small investor gain broad exposure to whole stock. Any loss caused by the unexpected collapse of any one stock will have only a minimal effect on the pool as a whole; thus risk is minimized.
- II. **Minimized risk for under value or over value of Fund:** Since Unit Funds are traded around the NAV (Net Asset Value) which is actually the value of underlying investment minus cost; there is no chance that fund will be undervalued or overvalued than the underlying value of the Units. This unique feature safeguards investors on getting the fair value of their investment.
- III. **Unit Fund/Open ended Mutual funds' price movements are far more predictable:** The extensive diversification, coupled with outstanding stock selection, makes it highly unlikely that the overall market will move up without carrying almost all stock mutual funds up with it.
- IV. **Unit Funds offer automatic reinvestment (i.e. Cumulative Investment Plan) efficiently:** Investors who like to receive current dividend income can enjoy receiving yearly dividends. Alternatively, investors who want to see their Unit Funds grow can easily and automatically have capital gains and dividends reinvested. Over time, reinvesting dividends can add substantially to the value of a fund as the result of compounding.
- V. **Full-time professional management with investment management technology support:** Qualified investment specialists of Alif Assets shall manage the Unit Fund to make the decisions as to which stocks to buy, hold or sell at right time on behalf of investors. Their investment decisions are based on research of market conditions and the financial performance of individual companies and specific

securities integrated to professional system. As market conditions change, the portfolio managers may adjust the mix of its investments to adopt a more aggressive or a more defensive strategy to offer best possible return to the investor.

- VI. Under Strict regulations:** Management and operation of Unit Funds are subject to strict regulations and monitoring of SEC and sponsor appointed Trustee. The law governing Unit fund require extensive disclosures of operation and management of Unit Funds to the regulator and general public.
- VII. Reduce investors' emotional stress:** Most investors constantly live with a certain amount of anxiety and stress about their investments. This is usually because there are one or more of the following essentials for them (1) market knowledge, (2) investing experience, (3) self-discipline, (4) proven investment plan and (5) time. As a result, they often invest on impulse or emotion. Since the Unit fund will be professionally managed and process oriented, investors can be relieved to transfer burden associated with investing to asset manager.
- VIII. Preferential IPO Quota:** Under current rules of Initial Public Offerings (IPOs) in Bangladesh, the mutual funds/Unit Funds are entitled to participate in a 15 (Fifteen) per cent reserved quota during the lottery. It may be noted that IPOs have historically outperformed the general index.

CHAPTER 3 :THE FUND

3.1 Formation of the Fund

The Trust Deed of the Fund was registered on May 11, 2011 under the Trust Act, 1882 and Registration Act, 1908. The Fund was registered by the SEC on July 21, 2011 under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.

3.2 Life of the Fund

The Fund will be an open-end mutual fund with a perpetual life established to broaden the base of investment and develop the capital market. Institutional, local and foreign, and individual investors, resident and non-resident, are eligible to invest in this Fund. The initial target size of the Fund will be Tk 50,00,00,000 (Taka fifty crore) only divided into 5,00,00,000 (five crore) units of Tk 10 (Taka Ten) each. Size of the Fund will be increased from time to time by the Asset Manager subject to approval of the Trustee and with due intimation to the SEC.

3.3 Face value and Denomination

Face value of each unit will be Tk. 10 (Taka Ten) only. Unit holders of the Fund shall be issued with certificates by the Asset Manager at the cost of the Fund in any denomination but not less than 500 (five hundred) units per certificate.

3.4 Some important policies regarding investment and operation of the Fund

- i. The Fund shall invest subject to the $\omega\epsilon\omega\alpha\gamma\tau\phi\tau$ and only in those securities, deposits and investments approved by the Securities and Exchange Commission and/or the Bangladesh Bank and/or the Insurance Development & Regulatory Authority (IDRA) of Bangladesh or any other competent authority in this regards.
- ii. Not less than 75 (seventy-five) percent of the total assets of the Scheme of the Fund shall be invested in capital market instruments out of which at least 50 (fifty) per cent shall be invested in listed securities.
- iii. Not more than 25 (twenty-five) percent of the total asset of the Scheme of the Fund shall be invested in Fixed Income Securities (FIS).
- iv. Not more than 15 (fifteen) per cent of the total asset of the Scheme of the Fund shall be invested in Pre-IPOs at one time.
- v. 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, debentures or securitized debts.
- vi. The Fund shall get the securities purchased or transferred in the name of the Fund.

- vii. Only the Asset Management Company will make the investment decisions and place orders for securities to be purchased or sold for the Scheme's portfolio.

3.5 Investment restrictions

- i. The Fund shall not invest more than 10 (ten) per cent of its total assets in any one particular company.
- ii. The Fund shall not invest in more than 15 (fifteen) per cent of any company's paid up capital.
- iii. The Fund shall not invest more than 20 (twenty) per cent of its total assets in shares, debentures or other securities of a single company or group.
- iv. The Fund shall not invest more than 25 (twenty-five) percent of its total assets in shares, debentures or other securities in any one industry.
- v. The Fund shall not invest in, or lend to, any scheme under the same Asset Management Company.
- vi. 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.
- vii. The Fund or the Asset Management Company on behalf of the Fund shall not give or guarantee term loans for any purpose or take up any activity in contravention of the $\omega\epsilon\omega\alpha\gamma\tau\phi\tau$
- viii. The Fund shall buy and sell securities on the basis of deliveries and shall, in all cases of purchases, take delivery of securities and in all cases of sale, deliver the securities on the respective settlement dates as per the custom and practice of the stock exchanges and shall in no case put itself in a position whereby it has to make short sale or carry forward transaction.
- ix. The Fund shall not involve in option trading or short selling or carry forward transaction.
- x. The Fund shall not buy its own unit.

3.6 Valuation policy

- i. 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.
- ii. 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.
- iii. The fund shall fix the valuation method for the Scheme subject to the prior approval of the Commission.
- iv. 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 non-listed investment, if any, and the Trustee shall periodically review the value of such investments. The auditors shall comment in the annual report of the Scheme of the Fund.

- v. The valuation of listed securities not traded within previous one month will be made based on their reasonable value by the Asset Management Company and approved by the Trustee and commented upon by the auditors in the Annual Report of the Scheme of the Mutual Fund but shall not be more than the intrinsic value of the securities.
- vi. The valuation of non-listed securities will be made by the Asset Management Company with their reasonable value and approved by the Trustee and commented upon by the Auditors in the annual report of the Scheme.
- vii. Once non-listed securities are valued, the valued amount will be considered for purpose of valuing the Fund's assets in any interval of time until the securities are further revalued by the Asset Management Company.
- viii. Asset Management Company and Trustee will value the non-listed securities at least once in every three months.
- ix. In case of deferred expenses, accrued expenses for the period will be taken into account for determining total liabilities.
- x. Net Asset Value (NAV) calculation

The Fund will use the following formula to derive NAV per unit:

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

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

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 + Payable as Trustee fees + All other payable related to printing, publication and stationery + Accrued deferred expenses with regard to management fee, annual fee, audit fee and safe keeping fee

3.7 Limitation of expenses

The initial issue expenses in respect of the Fund shall not exceed 5 (five) percent of the targeted amount of the Fund raised under the scheme and will be amortized within 7 (seven) years on a Straight-line method.

The total expenses charged to the Fund, except the amortization of initial issue expenses and including transaction cost in the form of stock brokerage against buy and sale 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, the annual registration fees payable to the Commission, audit fees, cost for

publication of reports and periodicals, bank charge, etc, shall not exceed 4 (four) per cent of the weekly average net asset outstanding during any accounting year.

3.8 Price fixation policy and Sale & Repurchase procedure

After completion of initial subscription, the Fund will be opened to the investors for regular buy – sale of Units. The date of re-opening shall be declared by the Asset Manager upon approval of the Trustee and with due intimation to the SEC.

The Asset Manager shall calculate the Net Asset Value (NAV) per unit on the last working day of every week as per formula prescribed in the $\omega\epsilon\omega\alpha\gamma\omega\rho\omega$ and shall disclose sales price and repurchase/surrender price per unit determined on the basis of NAV before starting of business operation of the first working day of the following week to the Commission and to the investors through at least one national daily, the website of the Asset Management Company and the authorized selling agents of the Fund.

The difference between sales price and repurchase/surrender price shall primarily be 3 (three) percent of the face value of the unit which may be changed in future with a maximum limit of 5 (five) percent of the face value of the unit.

Sale and repurchase procedure is given below:

- i The Units of Sandhani Life Unit Fund may be bought through Alif Assets Management Limited and authorized selling agents appointed by Alif Assets from time to time. Surrender of Units is allowed only through Alif Assets Management Limited’s designated offices and/or via Alif AMC websites.
- ii Minimum purchase amount for individual investors is 500 (Five Hundred) Units and for institutional investors is 10,000 (Ten Thousand) Units.
- iii Application for purchase of Units should be accompanied by an account payee cheque/pay order/bank draft in favour of “Sandhani Life Unit Fund” for the total value of Units.
- iv After clearance/encashment of cheque/draft/pay order the applicant will be issued with one Unit Certificate against every purchase with a denomination of number of Units he/she/the Institutional investor applies for.
- v Partial surrender (fraction of total Units held under a single certificate) is allowed without any additional cost subject to minimum surrender quantity is 500 (five hundred) Units both for individuals and institutions. Upon partial surrender, the Unit holder will be issued with a new certificate representing the balance of his Unit holding.
- vi All payments/receipts in connection with or arising out of transactions in the Units hereby applied for shall be in Bangladeshi Taka.

3.9 Winding up policy

Procedure of winding up

- i If the total number of outstanding unit certificates held by the unit holders after repurchase at any point of time falls below 25 (twenty-five) percent of the actual certificate issued, the Fund will be subject to wound up.
- ii The Fund may be wound up on the happening of any event, which, in the opinion of the Trustee with approval from the Commission, requires the Scheme to be wound up.
- iii The Scheme may also be wound up if the Commission so directs in the interest of the unit holders.
- iv Where a Scheme is to be wound up in pursuance to the above, the Trustee and the Asset Management Company shall give simultaneously separate notice of the circumstances leading to the winding up of the Scheme to the Commission and if winding up is permitted by the Commission, shall publish in two national daily newspapers including a Bangla newspaper having circulation all over Bangladesh.

Manner of winding up

- i The Trustee shall call a meeting within 30 (thirty) days from the notice date of the unit holders of a Scheme to consider and pass necessary resolutions by 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 Scheme. If it fails to have three-fourth majority mandate, the Commission shall have the power to super-cede the mandate if situation demands such.
- ii The Trustee shall dispose-off the assets of the Scheme of the Fund in the best interest of the unit holders; provided that the proceeds of sale made in pursuance of the $\omega\epsilon\omega\alpha\gamma\omega\phi\omega$ shall in the first instance be utilized towards discharge of such liabilities as are properly due under the Scheme 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 Scheme as on the date when the decision for winding up was taken.
- iii 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 Scheme 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 Scheme of the Fund.

Effect of 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

- i. cease to carry on any business activities of the open-end fund;
- ii. Cease to create and cancel units of the open-end fund;
- iii. Cease to issue and redeem units of the open-end fund.

3.10 Investment management

Alif Assets shall conduct the day-to-day management of the Fund's portfolio as the Asset Manager subject to the provisions laid down in the $\omega\epsilon\omega\alpha\gamma\tau\phi\omega$ and trust deed or any general directions given by the trustee and / or the Commission. However, Alif Assets will have discretionary authority over the Fund's Portfolio about investment decisions.

3.11 Dividend policy

- i The accounting year of the Fund shall be 1 January to 31 December;
- ii The Fund shall, as soon as may be, after the closing of the annual accounts, distribute by way of dividend to the unit holders in accordance with the $\omega\epsilon\omega\alpha\gamma\tau\phi\omega$ an amount, which shall not be less than 70 (seventy) per cent of the net profit earned during the year, or as determined by the Commission from time to time;
- iii Before declaration of dividend, the Asset Management Company shall make a provision in consultation with the Auditors for revaluation of investments caused from loss if market value of investments goes beyond their acquisition cost, and the method of calculation of this provision will be incorporated in the notes of accounts;
- iv The Fund shall create a dividend equalization reserve by suitable appropriation from the income of the Fund;
- v Before registration for transfer of ownership, a transferee shall not possess the right to any dividend declared;
- vi There will be a Cumulative Investment Plan (CIP) scheme in this Unit Fund. Under this scheme, a unit holder instead of receiving dividend may reinvest such dividend income accrued for purchasing Unit at a concession rate. In such case, dividend amount accrued must have the value of at least 500 (five hundred) Units;
- vii Dividend warrants will be dispatched within 30 (thirty) days from the declaration of dividend.

CHAPTER 4: RISK FACTORS

- i Any mutual fund is subject to market risk and there is no assurance or guarantee that the objectives of the fund will be achieved.
- ii Past performance of the Sponsor or Asset Manager does not indicate the assurance of better future performance and may not necessarily provide a basis of comparison with other investments to this Fund.
- iii As with any securities investment, the NAV of the Units issued under the Fund can go up or down depending on the factors and forces affecting the capital market and money market of the country.
- iv The NAV of the Units issued under the Scheme may be affected, inter alia, by changes in the market, interest rate, performance of individual stock, changes in credit rating, trading volume, settlement period and transfer procedure.
- v Investment in mutual fund involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- vi Investors are not being offered any guaranteed or assured return from this Fund.
- vii In the event of a very large number of repurchase requests, there may be delays in the delivery of the payment.
- viii Government policy and Tax laws may change, affecting the return on investment in Units.
- ix Bangladesh has been prone to natural disaster and political instability over last few decades. Undesirable events such as these may impact the value and performance of the fund.

CHAPTER 5 : FORMATION, MANAGEMENT AND ADMINISTRATION

5.1 Sponsor of the Fund

Sandhani Life Insurance Co. Ltd. one of the leading and pioneering insurance companies in Bangladesh, was incorporated on January 23, 1990 with the vision to ensure social and family protection through Life Insurance Policy of all families of Bangladesh. Sandhani Life Insurance Co. Ltd. started its grand expedition for delivering manifold life insurance services since its commencement. It is fundamentally engaged in Ordinary Life, Islami (Takaful) Life and Group Term Insurance Business. It also operates in non-traditional Micro Life Insurance Business under the name of G.S.B., S.D.P.S, G.D.P.S, G.I.D.P.S, I.D.P.S., Takaful Islami Division and SIDPS-12 project.

The authorized capital of the company is Tk 500 million divided into 50 million ordinary shares of Tk 10 each. Its paid up capital is Tk 207 million. The sponsor shareholder subscribed 43.88% of its paid up capital, Institutes hold 14.89% and the public shareholders paid the remaining 41.23%.

Credit Rating Agency of Bangladesh (CRAB) has rated the company as **"A1" (Pronounced Single A One)** rating in the long term based on audited financial statements of the company for the year ended 2010.

In 2010, the company has earned a gross premium of Tk.250.94 crore showing an increase of 13.83% over the previous year. Total life fund stood at 655.48 crore at 31 December 2010. SLICL continues to focus on its delivery channel, technology, human resource and its brands along with organizational & agency office network, business promotion, integrity, good governance and compliance with the legal and regulatory framework of the country. At present, the company has 7 Service Points, 42 District Offices, 252 organizational offices, 877 agency offices and number of administrative employees is 2,563.

Sandhani Life Insurance Co. Ltd. having excellent testimony of accomplishment of 20 years in life insurance industry driven by proficient and well-resourced management team. In their management team, include expert insurance people who have vast knowledge in this industry. It strives to settle and handover insurance claims to the doorstep of policyholders or their nominees within the quickest possible time. To increase asset, investment & life fund with modern technology and dedicated professionalism, Sandhani Life Insurance Company Limited constantly remains focused on its goal.

5.2 Trustee of the Fund

Bangladesh General Insurance Company Limited (BGIC) will act as the Trustee of the Fund. BGIC, incorporated on 29 July 1985, is the first private sector general insurance company in Bangladesh. BGIC has a proven record of being Trustee for existing mutual fund and zero coupon bonds. Its dynamic team of dedicated professionals with superior underwriting and trustee skill can boost growth of the company. The

company has authorized capital of Tk 1000 million and paid up capital of Tk 515.0 million and is listed on both the DSE and the CSE.

5.3 Custodian of the Fund

BRAC Bank Limited (BBL) will act as the Custodian of the Fund. BRAC Bank Limited, operating in Bangladesh since 2001, is one of the fastest growing private commercial banks of the country with 82 Branches, 48 Krishi branch, 23 SME Sales & Service Centers. BRAC bank provides personal banking, trade financing, SME, Retail & Corporate credit, Lease financing, project financing, issuing debt and credit cards, SMS banking, internet banking, phone banking, call center, remittance facilities, dealing in government securities, custodial services etc. BRAC Bank Limited is the fastest growing custodian bank of the country having dedicated Custodial Services Department.

5.4 Asset Manager

Alif Assets Management Limited is a capital market institution licensed by the Securities and Exchange Commission (SEC) to operate as an asset management company. It is also a member of Alif Group, a leading industrial conglomerate of Bangladesh.

- Alif Assets Management team has more than 75 years of combined financial and wealth management experience. With the vision to achieve the respect of the most rewarding, reliable and reputed capital market institution, Alif Assets has established its core strength derived from new and opportune investment sector leadership, innovative investment products, disciplined and compliant investment strategy.
- Judging from trends in Bangladesh, the asset management business, we plan to devote considerable effort to develop our existing mutual fund industry on the country. We want to become trustworthy partner of the investors in the asset management market and develop a variety of investment opportunities.
- It pursues strict values of innovativeness, resilience, responsiveness and trustworthiness to be successful as a financial institution. Alif Assets, through the preparation of implementing global standard of investment philosophy have positioned the company to continue its commitment to excellence in its way forward.

Investment Discipline of Alif Assets Management

1. We seek to control risk via our Preservation of Capital approach.

Instead of focusing on short-run stock price volatility, we seek to mitigate risk in portfolios by investing in strong fundamental characteristics and favorable growth prospects. We prefer to take opportunistic view of market volatility. Market gyrations are welcome because they offer the opportunity to find cheap entry

points for quality stocks. We utilize a bottom up approach to determine if individual securities are over or undervalued before investing.

2. *Long-term investors focus on long-term results*

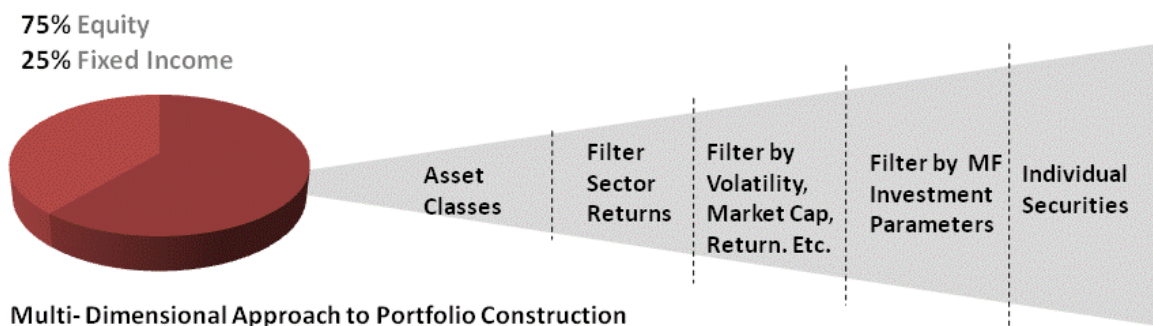
History teaches us that investors will value companies on their merits in the long run. This is the essence of long-term investing. Our focus is on pinpointing intrinsic worth for our investments, and maintaining patience month -after-month until price levels are realized.

3. *Unemotional buy- sell discipline*

We are structured to follow strict 'buy' and 'sell' discipline as part of our investment management process. Our strict buy-and-sell discipline applies to individual stocks. We invest only in market-leading companies with strong fundamentals and equally strong market numbers. Our rigorous standards would help us avoid the common pitfall of becoming emotionally attached to a particular stock position.

4. *Portfolio concentration is critical to success.*

A tightly focused portfolio of between twenty and thirty well-chosen stocks (just as an example) allows to greatly impact investment results.



5. *Asset Allocation Planning*

We believe that asset allocation positioning (or diversification) is one of the important determinant of portfolio risk, and therefore the primary tool in managing investment risk though Unit Fund investments are subject to strict equity and fixed income asset allocation regulated by laws.

The asset allocation recommendations for each portfolio represent an optimized solution, constrained to reflect cash management strategy, as well as our assessment of the current market environment.

6. *Passive versus Active Investment Management*

Passive money management seeks to replicate a given benchmark like the DGEN or DSI, while active money management seeks to outperform market indexes. We believe that both active and passive approaches to investment management are valid and not mutually exclusive, in most cases, we blend both active and passive investment management to optimize the potential for long-term returns.

7. *Equity Investment Management Styles*

We agree with a fundamental conclusion that over time, value oriented equity portfolios will provide superior risk-adjusted performance. However, we do not eliminate growth allocations to avoid interim divergences from the broad markets.

8. Fund Specific Portfolio Manager

We believe that investment manager structures should be carefully designed to capture the entire market opportunity. Portfolio Managers to be segregated by fund with full ownership for each fund based on investment type.

9. Time weighted distribution

We believe the investment time horizon (the expected tenure and liquidity requirements of the investment fund) should be a primary consideration in the basic asset allocation decision.

10. Managing Elements of investing return

There are five primary components of total return:

Total Return = (capital return) + (dividend/interest income return) – (operating costs) – (trading costs) – (taxes)

Of these five elements, only taxes are predictable and Unit Funds are not subject to any taxes at this point. Operating costs offers room for better management, Capital return is perhaps the most unpredictable, with dividends and interest income less so. Trading costs such as market impact and commissions are somewhat unpredictable. We try our best to manage each components of return through best-execution practices.

The brief profiles of Chairman and CEO and senior management are given below:

Md Azizul Islam

Chairman

Mr. Md Azizul Islam, the Chairman of Alif group and also the Chairman of Alif Assets Management having impeccable business track records in the country. He has been CIP for last 19 years. Being a renowned industrialist ,he has been engaged in capital market operation for last 15 years. He is actively involved in social works for last decades helping the underprivileged section of the society. The current multi dimensional business portfolio of Alif group is the result of his leadership, inspiration and application of good governance across the Alif group for over 30 years. He did his Masters in Political Science from University of Dhaka.

Tanim Noman Sattar

Chief Executive Officer (CEO)

Mr. Tanim N Sattar is a seasoned financial professional with over 15 years of experience in the field of Wealth Management, Asset Management, Retail Banking, Channel Management, Process re-engineering, etc. He worked for Standard Chartered, HSBC, Citibank NA, etc, reputed multinational institutions in different capacity. He has travelled around the world to attend professional training, to participate in regional and global conferences and also to take part in international Six Sigma Projects. He is also invited lecturer of the Institute of Business Administration (IBA), North South University and Asian University in area of finance, portfolio management and six sigma. He is an MBA (IBA) and Sig sigma Black (Singapore) with specialization in financial products and processes.

Md Azimul Islam

Chief Financial Officer(CFO)

Mr. Md. Azimul Islam did his graduation in Finance and Economics from Rutgers University, New Jersey, USA.

He worked as Equity Analyst in Goldman Sachs and has experience in Fixed Income Business. He has practical experience in Merger & Acquisition (M&A) starting from company valuation, bidding and investment management. He has extensive knowledge in Bangladesh capital Market in the area of equity research, technical analysis, portfolio management, operation, etc. As a young entrepreneur, he relentlessly seek out for investment opportunities to diversify and also, to create depths in his area.

Md Tuhin Reza

Executive Director (ED)

Mr. Md Tuhin Reza is a capital market and financial market professional for over 12 years time. Prior to joining Alif Assets Management, he headed the Business Banking unit of ICB Islamic Bank. He worked for Standard Chartered Bank and started his career with IFIC Bank. He has received numerous awards and professional accolade for business excellence. He is an MBA and he frequently appears in media to deliver his expert view on capital market, banking and economy.

Hamza Alamgir

Executive Director (ED)

Mr. Hamza Alamgir has graduated from Macalester College with a B.A. in economics, a core in Mathematics. He had worked for RBC Capital Markets, Boston, USA, as a generalist assisting in the execution of numerous transactions in the technology and media space, executing deals worth approximately USD1.6 Billion. Subsequently, he worked with the syndication team in Standard Chartered, Bangladesh, helping the team execute various deals in the corporate finance sector.

Syed Aminul Kabir

Deputy Managing Director (DMD)

Mr. Syed Aminul Kabir is a member of the senior management team. He has more than 12 years of experience in the financial sector of the country. Prior to his joining at Alif Assets Management he was the Country Manager of ICICI Bank, Bangladesh Representative Office. He worked for HSBC Bangladesh, Standard Chartered Bank, etc. He has received extensive training from UK, Hong Kong, India and in other localities. He has extensive experience in different financial business management and he has anchored many workshops in national & international level. He is an MBA and graduated from Calcutta University.

M. Hasan Haider, ACCA

Head of Operations & Control

Mr. M. Hasan Haider is the member of senior management team of Alif Assets Management. He has more than five years of experience in the Capital Market arena out of his 14 years of professional career. Previously he has worked as Head of Operations & Compliance in Asian Tiger Capital Partners AMC, Head of Listing Department in Dhaka Stock Exchange Ltd., Head of Product Strategy and Finance Control in L-R Global Bangladesh AMC and Senior Manager of Corporate Affairs and Compliance in Equity Partners Limited (Currently known as BRAC EPL Investment). He is a Chartered Certified Accountant and a member of ACCA, UK and also an MBA from York University.

5.5 Auditors

S.F. Ahmed & Company, Chartered Accountants, has been appointed as the Auditor of the Fund for the first year. They are one of the reputed audit firms of the country. Subsequent auditors shall be appointed by the Trustee.

5.6 Name of Selling Agents

The following organizations have shown interest to act as the selling agents of the Fund to sale of Units of the Fund on behalf of the Asset Manager:

SI No.	Name of the Selling Agent	Type of Organization
1	City Brokerage Limited	Brokerage House(DSE & CSE)
2	NBL Capital and Equity Management Ltd. (Brokerage Unit)	Brokerage House(DSE)
3	Mona Financial Consultancy & Securities Ltd.	Brokerage House(DSE & CSE)
4	IIDFC Securities Limited	Brokerage House(DSE & CSE)
5	International Leasing Securities Ltd.	Brokerage House(DSE & CSE)
6	Multi Securities and Services	Brokerage House(DSE & CSE)
7	Shakil Rizvi Stock Limited.	Brokerage House(DSE)
8	PHOENIX Securities Ltd.	Brokerage House(DSE & CSE)
9	Reliance Brokerage services LTD.	Brokerage House(DSE & CSE)
10	Uniroyal Securities Limited	Brokerage House(DSE)
11	Salta Capital Limited	Brokerage House(DSE & CSE)
12	Stock and Security Linkway Limited	Brokerage House(CSE)
13	Fame & Faith	Direct Sales Agent
14	Sandhani Life Insurance Co. Ltd.	Life Insurance Company

The Asset Manager may appoint and cancel selling agents in future subject to approval of the Trustee and with due intimation to the SEC.

5.7 Fees and Expenses

The Fund will pay the fees of Asset Manager, 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 together with certain other costs and expenses incurred in its operation, including without limitation expenses of legal & consulting service, auditing, other professional fees and expenses, brokerage, share/debenture registration expenses and fees due to the SEC. The Fund will also bear all the other incidental expenses including printing, publication and stationery relating to its smooth and fair operation. Major expenses of the Fund are detailed as follows:

5.7.1 Issue and Formation expenses

Initial issue and formation expenses are estimated not to be over 5 (five) per cent of the initial target size of Tk.50,00,00,000 (Taka Fifty Crore) only. The issue and formation expenses will be amortized within 7 (seven) years on a straight-line method. The estimated expenses for the issue and formation of the Fund are presented below:

ITEM	In percentage
Legal and regulatory expenses	0.21%
Formation fee payable to AMC	1.00%
Printing and publication	0.49%
Promotional expenses	2.30%
Other expenses	1.00%
Total	5.00%

5.7.2 Management fee

As per the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ the Fund shall pay a management fee to the Asset Management Company @ 2.50 percent per annum of the weekly average NAV upto Tk. 5.00 crore and @ 2.00 percent per annum for additional amount of the weekly average NAV up to 25.00 crore over Tk. 5.00 crore and @ 1.50 percent per annum for additional amount of the weekly average NAV upto Tk 50.00 crore over 25.00 crore and @ 1.00 per cent per annum for additional amount of the weekly average NAV over Tk. 50.00 crore, accrued and payable semi-annually.

5.7.3 Trustee fee

The Trustee shall be paid an annual Trusteeship fee @ 0.10 percent on the Net Asset Value (NAV) of the fund on semi-annual in advance basis during the life of the Fund.

5.7.4 Custodian fee

The Fund shall pay to the Custodian a safe keeping fee @ 0.05 percent per annum of balance securities held by the Fund calculated on the basis of average month end value per annum and trade settlement fees of BDT 200 per trade. A fee cap schedule is applicable as per the fee cap schedule provided by the custodian.

5.7.5 Fund registration and annual fee

The Fund has paid Tk 10, 00,000 (Taka ten lac) only to the Securities and Exchange Commission as registration fee. In addition, the Fund will have to pay @ 0.10 percent of the Fund value or Tk 50,000 (Taka fifty thousand), whichever is higher, as annual fee in terms of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.

5.7.6 Commission payable to selling agent(s)

The Fund shall pay commission to the authorized selling agent(s) to be appointed by the Asset Manager @ 2.00 percent on the total face value of Unit sales which may change in future with the approval of the Trustee.

5.7.7 Audit fee

The audit fee will be Tk 30,000 (Taka thirty thousand) only plus 4.5% VAT, for the first accounting year and the Trustee will fix fees for subsequent years.

CHAPTER 6: SIZE OF THE FUND AND RIGHTS OF UNIT HOLDERS

6.1 Size of issue

The initial size of the Fund shall be Tk 50,00,00,000 (Taka fifty crore) only divided into 5,00,00,000 (five crore) units of Tk 10 (Taka Ten) each which may be increased from time to time by Asset Manager subject to approval of the Trustee with due intimation to the Commission till liquidation of the Fund. The initial distribution of the Fund's unit holding shall be as follows:

Subscribers	No. of Units	Face value(Taka Per Unit)	Amount(Taka)	Remarks
Sponsor	1,00,00,000	10	10,00,00,000	Subscribed
General Investor	4,00,00,000	10	40,00,00,000	Yet to be Subscribed
Total	5,00,00,000	10	50,00,00,000	

6.2 Subscription from Sponsor

Sandhani Life Insurance Company Ltd., the Sponsor, has already subscribed Tk 10,00,00,000 (Taka Ten crore) only for 1,00,00,000 (One crore) units of Tk 10 (ten) each at par on 11 May, 2011, the effective date.

6.3 Rights of the Unit holders

Voting rights

All the unit holders shall have usual voting rights. Voting right can be exercised in person or by proxy in a meeting held in connection with any proposal to amend the characteristics of the Fund or any other agenda of meeting called by the Trustee in the circumstances mentioned in the Trust Deed or the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১. In case of show of hands, every unit holder present in person or/and by proxy shall have only one vote and on a poll, every unit holder present in person and/or by a proxy shall have one vote for every unit of which he/she is the holder.

Transfer of units

Units of the Fund are transferable by way of inheritance/gift and/or by specific operation of law.

Dividend

All the unit holders have equal but proportionate right in respect of dividend.

Periodic information

All the unit holders of the Fund shall have the right to receive the annual report and audited accounts of the Fund. Moreover, the unit holders shall be informed of the NAV of the Fund on weekly basis through the DSE, the CSE, newspaper, the website of the Asset Manager, and the selling agent(s) to be appointed by the Asset Manager from time to time.

Accounts and Information

The Fund's financial year will be closed on 31 December every year and the first year end will be 31 December 2011. Annual report or major head of income & expenditure account and balance sheet in line with schedule VI of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ will be published within 45 (forty five) days from the closure of each accounting year. Furthermore, the NAV of the Fund, NAV per unit, any suspension or alteration of the calculation of NAV of the Fund will be published by the Asset Manager as per $\omega\epsilon\omega\alpha\gamma\omega\phi\omega$.

Beneficial interest

The unit holders shall preserve only the beneficial interest in the trust properties on pro rata basis of their ownership of the respective schemes.

CHAPTER 7: UNIT SUBSCRIPTION

Terms and conditions of unit subscription

- i The Units of Sandhani Life Unit Fund, hereinafter referred to as the Fund, may be bought through Alif Assets Management Limited and authorized selling agents appointed by Alif Assets from time to time. Surrender of Units is allowed only through Alif Assets Management Limited's designated offices and/or via Alif AMC websites.
- ii Application must be made by an individual (both resident and non-resident), a corporation or company (both local and foreign), a trust or a society (registered in or outside of Bangladesh) and not by a firm, minor or persons of unsound mind.
- iii Joint application by two persons is acceptable. In such a case, registration and issuance of Unit certificate will be in favour of principal applicant while dividend and other benefits, if any, will be addressed to bank account of principal applicant mentioned in the application form. In case of the death of any of the joint holders, only the survivor shall be recognized as having any title to the Units. On death of both the joint holders, the title to the Units will bestow upon the nominee mentioned in the application form.
- iv Minimum purchase amount for individual investors is 500 (five hundred) Units and for institutional investors is 10,000 (Ten thousand) Units.
- v Application for purchase of Units should be accompanied by an account payee cheque/pay order/bank draft in favour of "**Sandhani Life Unit Fund**" for the total value of Units.
- vi After clearance/encashment of cheque/draft/pay order the applicant will be issued with one Unit Certificate against every purchase with a denomination of number of Units he/she/the Institutional investor applies for.
- vii Partial surrender (fraction of total Units held under a single certificate) is allowed without any additional cost subject to minimum surrender quantity is 500 (five hundred) Units both for individuals and institutions. Upon partial surrender, the Unit holder will be issued with a new certificate representing the balance of his Unit holding.
- viii The Units may be transferred by way of inheritance/gift and/or by specific operation of the law. In case of transfer, the Fund will charge a nominal fee as decided by Alif Assets from time to time except in the case of transfer by way of inheritance.
- ix Unit holders may split their Unit certificates subject to minimum denomination of 500 (five hundred) Units. In case of split, the Fund will charge a nominal fee as decided by the Alif Assets from time to time.
- x Dividend may be delivered in cash or by way of Units under Cumulative Investment Plan (CIP) as the applicant gives option in the application form.

- xi All payments /receipts in connection with or arising out of transactions in the Units hereby applied for shall be in Bangladeshi Taka.

Forms

Specimen copies of the following forms are given in the following pages:

- i Application Form to Purchase Units
- ii Surrender Form
- iii Transfer Form
- iv Split / Consolidation Form