

PROSPECTUS (ABRIDGED VERSION)

SAML INCOME UNIT FUND

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



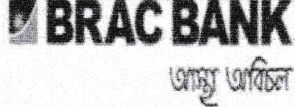
Investing in the SAML Income Unit Fund (hereinafter the Fund) bears certain risks that investors should carefully consider before investing in the Fund. Investment in the capital market and in the Fund bear certain risks that are normally associated with making investments in securities including loss of principal amount invested. There can be no assurance that the Fund will achieve its investment objectives. The Fund value can be volatile and no assurance can be given that investors will receive the amount originally invested. When investing in the Fund, investors should carefully consider the risk factors outlined in the document.

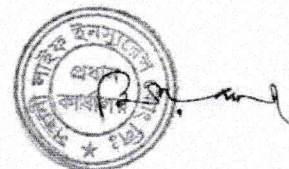
THE SPONSOR, ASSET MANAGEMENT COMPANY OR THE FUND IS NOT GUARANTEEING ANY RETURNS.

The particulars of the Fund have been prepared in accordance with সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ as amended till date and filed with Bangladesh Securities and Exchange Commission of Bangladesh.

Size of Issue
Initial size BDT 10,00,00,000 (Ten Crore)
Total Number of Units 1,00,00,000 (One Crore)
Initial/Opening Price
BDT 10 (Taka Ten) per Unit
Initial Subscription Opens
25 October 2020
Sponsor & Asset Manager
Shahjalal Asset Management Limited
Trustee
Sandhani Life Insurance Company Limited
Custodian
BRAC Bank Limited
Banker
Shahjalal Islami Bank Limited
Auditor
FAMES & R Chartered Accountants
Date of Publication of Prospectus
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The Prospectus is available at the AMC's website at www.shahjalalasset.com

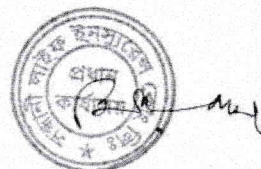
"Investment in Mutual Fund is subject to market risk"

 Shahjalal Asset Management Limited	 Sandhani Life Insurance Company Limited	 BRAC BANK আমরা আছি
Sponsor and Asset Manager: Shahjalal Asset Management Limited	Trustee: Sandhani Life Insurance Company Limited	Custodian: BRAC Bank Limited



FUND HIGHLIGHTS

Name	SAML Income Unit Fund
Type	Open-ended Mutual Fund
Life of the Fund	Perpetual life
Sponsor	Shahjalal Asset Management Limited
Asset Manager	Shahjalal Asset Management Limited
Trustee	Sandhani Life Insurance Company Limited
Custodian	BRAC Bank Limited
Initial Size of the Fund	Tk. 100,000,000 (Taka ten crore) divided into 10,000,000 (one crore) Units of Tk. 10 (Taka ten) each
Nature	Perpetual life and unlimited size
Objective	The objective of the SAML Income Unit Fund is to provide attractive risk adjusted return to the unit holders by investing the proceeds in the capital market and money market.
Minimum Application Amount	Tk. 20,000.00/- per application for individuals Tk. 50,000.00/- per application for institutions
Transparency	NAV will be calculated on a weekly basis and shall be published on the website of the Fund Manager (www.shahjalalasset.com) and as prescribed in the Rule
Target Group	Individuals, institutions, Non-Resident Bangladeshi (NBR), mutual funds and collective investment schemes are eligible to invest in this Fund.
Dividend	Minimum 70 (seventy) percent of realized income of the Fund will be distributed as dividend in Bangladeshi Taka in each accounting year.
Dividend Distribution	The dividend warrant will be distributed within 45 (Forty Five) days from the date of declaration.
Transferability	The Units of the Fund are transferable by way of inheritance/ gift and/or by specific operation of the law.
Encashment	The Unit holders can surrender and en-cash their Units to the Asset Manager and through the authorized selling agents appointed by the Asset Manager. The Asset Manager or selling agent shall be liable to re-purchase the units on behalf of Fund.
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 from the website (www.shahjalalasset.com) of the Asset Manager. Every Unit holder will also get quarterly statements of portfolio in SAML's official website.
Tax Benefit	a) Income from a mutual fund or a unit fund up to tk. 25,000 (Twenty five thousand) is exempted from tax under income Tax Ordinance 1984. b) Investment in the Unit Fund would qualify for investment tax credit under section 44(2) of the Income Tax ordinance c) The Income of the Fund will also be exempted from Tax.



CHAPTER 1: PRELIMINARY

1.1 Publication of Prospectus for Public Offering

Shahjalal Asset Management Limited has received registration certificate from the Bangladesh Securities & Exchange Commission under Securities & Exchange Commission Act, 1993 and সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ made thereunder and also received consent for issuing prospectus for public offering. A complete copy of the prospectus is available for public inspection at Al-Razi Complex, Level-9, Block-C, Suite-902, 166-167 Shahid Syed Nazrul Islam Sharani, Dhaka-1000., the corporate office of Shahjalal Asset Management Limited – the asset manager of “SAML Income Unit Fund”, hereinafter referred to as “the Fund”.

1.2 Consent of the Securities and Exchange Commission

“APPROVAL OF BANGLADESH 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 BSEC and stock exchange houses make arrangement in future. In that case public communication will be made as per BSEC’s approval.

The securities will be kept in dematerialize form in Central Depository Bangladesh Limited (CDBL) to facilitate the holding and transfer of the units of the Fund. Units of the Fund will always be available for sale and surrender/repurchase except on the last working day of every week and during book closure period/record date of the Fund at the corporate office of the Shahjalal Asset Management Limited and the offices of authorized selling agents. The Asset Manager shall disclose selling price and surrender/repurchase price of Units at the beginning of business operation on the first working day of every week as per the বিধিমালা.

The unit holders may surrender their unit certificates during the business hour as specified by the Asset Management Company. The Asset Management Company shall be liable to repurchase the units on behalf of the fund. The redemption will be made on first come first serve basis.



1.4 Availability of Documents for Inspection

1. Copy of this prospectus will be available at the registered office of the Asset Manager and offices of the authorized selling agents of the Fund. This prospectus will also be available for viewing and downloading from the website of Bangladesh Securities and Exchange Commission website (www.secbd.org) and the website of the Asset Manager (www.shahjalalasset.com).
2. Copy of the trust deed will be available for public inspection during business hours at the office of the asset manager of the Fund. One will be able to purchase a copy of the trust deed by paying the price as determined by the Asset Manager.

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

PART-A

1. The Fund shall not account for any upward revaluation of its assets creating reserve without clearance from the Bangladesh Securities and Exchange Commission;
2. The Fund shall not be involved in option trading, short selling or carry forward transactions;
3. A confirmation of Unit Allocation 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 /acknowledgement slip issued at the time of sale of Units will be treated as allotment, 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 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 one Bengali national daily newspaper within 30 (thirty) days from the end of the period;
8. Dividend shall be paid within 45 (Forty Five) days of its declaration, and a report shall be submitted to BSEC, 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. Details statements of quarterly status of portfolio and other assets shall be published in asset manager website within one month of the end of the quarter;
11. After initial public subscription, the sale and repurchase/surrender price of Units will be determined by the Asset Management Company as per the Rule. 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. The difference between sales price and surrender value shall not be over Tk. 0.30 (thirty paisa) per unit and may increase up to 5% of the sale price at the decision of the Board of Directors of the Asset Management Company;
12. BSEC may appoint auditors for special audit/investigation on the affairs of the Fund, if it so desires;
13. The Fund shall maintain separate bank account(s) to keep the sale proceeds of Units and to meet up day-to-day transactions including payment against repurchase of Units. All transactions of the account shall be made through banking channel and shall be properly documented;



14. The prospectus/abridged version of the prospectus shall be published in one of the widely circulated Bengali national daily newspapers. Provided that information relating to publication of prospectus in the form of advertisement be published in two national daily newspapers (Bengali and English);
15. If approved, abridged version of the prospectus will be published in the newspaper and complete prospectus shall be made available to the applicants through website of AMC;
16. The approved prospectus shall be available at the head office of AMC, Custodian and Trustee of the Fund and the sales offices of the Fund;
17. If the Fund manager fails to collect the 10 (Ten) crore or 40% of the initial target amount whichever is higher, under section 48 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, it will refund the subscription money within 30 days from the closure of subscription without any deduction. In case of failure, the Fund manager will refund the same with an interest at 18% per annum from its own account within the next month;
18. On achievement of 10 (Ten) crore or 40% of the initial target amount whichever is higher, the Fund is allowed to commence investment activities of the Fund with permission of the Trustee;
19. The AMC should ensure compliance of rule 46 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.
20. The initial target size of the fund is Tk. 10 (Ten) crore. The size of the Fund will be increased from time to time by the Asset Manager subject to approval of the Trustee and with intimation to the Commission;
21. Confirmation of Unit Allocation of the sponsor's contribution amounting to Tk 10,000,000/- (Taka one crore) only shall be subject to a lock-in for a period of minimum one years from the date of formation of the Fund and after that period, 90% of holding may be transferred, with approval of the BSEC, to any institution eligible to be a sponsor of a mutual fund.
22. A Confirmation of Unit Allocation amounting Tk. 10,000,000/- (10% of the Fund) will be issued in favor of the sponsor. The said unit allocation confirmation letter shall be in the custody of the Trustee. No splitting of the Confirmation of Unit Allocation letter shall be made without prior approval of the Commission.
23. Annual fee of the fund shall be submitted to the Commission on the Fund size i.e. year-end NAV at market price of the fund on advance basis as per বিধিমালা; and may adjust the fee in the next year if necessary;
24. Subscription period of the fund will be 45 (forty-five) days which will be started on October 25, 2020 and be ended on December 08, 2020 as per rule 47 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.

PART-B

1. As per provisions contained in the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ regarding limitation of time on closure of subscription, the initial public subscription will remain open for forty-five days or for a period up to achievement of the initial target amount, whichever is earlier;
2. All the publications related to prospectus and all other published documents/notices regarding the Unit Fund shall be submitted to the Commission within 24 hours of the publication thereof;
3. The Asset Management Company shall submit (ten) copies of printed prospectus to the Commission for official record;



14. The prospectus/abridged version of the prospectus shall be published in one of the widely circulated Bengali national daily newspapers. Provided that information relating to publication of prospectus in the form of advertisement be published in two national daily newspapers (Bengali and English);
15. If approved, abridged version of the prospectus will be published in the newspaper and complete prospectus shall be made available to the applicants through website of AMC;
16. The approved prospectus shall be available at the head office of AMC, Custodian and Trustee of the Fund and the sales offices of the Fund;
17. If the Fund manager fails to collect the 10 (Ten) crore or 40% of the initial target amount whichever is higher, under section 48 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, it will refund the subscription money within 30 days from the closure of subscription without any deduction. In case of failure, the Fund manager will refund the same with an interest at 18% per annum from its own account within the next month;
18. On achievement of 10 (Ten) crore or 40% of the initial target amount whichever is higher, the Fund is allowed to commence investment activities of the Fund with permission of the Trustee;
19. The AMC should ensure compliance of rule 46 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.
20. The initial target size of the fund is Tk. 10 (Ten) crore. The size of the Fund will be increased from time to time by the Asset Manager subject to approval of the Trustee and with intimation to the Commission;
21. Confirmation of Unit Allocation of the sponsor's contribution amounting to Tk 10,000,000/- (Taka one crore) only shall be subject to a lock-in for a period of minimum one years from the date of formation of the Fund and after that period, 90% of holding may be transferred, with approval of the BSEC, to any institution eligible to be a sponsor of a mutual fund.
22. A Confirmation of Unit Allocation amounting Tk. 10,000,000/- (10% of the Fund) will be issued in favor of the sponsor. The said unit allocation confirmation letter shall be in the custody of the Trustee. No splitting of the Confirmation of Unit Allocation letter shall be made without prior approval of the Commission.
23. Annual fee of the fund shall be submitted to the Commission on the Fund size i.e. year-end NAV at market price of the fund on advance basis as per বিধিমালা; and may adjust the fee in the next year if necessary;
24. Subscription period of the fund will be 45 (forty-five) days which will be started on and be ended on as per rule 47 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.

PART-B

1. As per provisions contained in the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ regarding limitation of time on closure of subscription, the initial public subscription will remain open for forty-five days or for a period up to achievement of the initial target amount, whichever is earlier;
2. All the publications related to prospectus and all other published documents/notices regarding the Unit Fund shall be submitted to the Commission within 24 hours of the publication thereof;
3. The Asset Management Company shall submit 10 (ten) copies of printed prospectus to the Commission for official record;



4. The Asset Management Company shall ensure in writing to the Commission that the prospectus is published correctly and is a verbatim copy of the prospectus vetted by the Commission;
5. The expiry date of the sponsor's locked-in portion shall be specifically mentioned on the body of the jumbo confirmation of Unit allocation;
6. The AMC shall apply the spot buying rate (TT clean) of Sonali Bank prevalent on the date of the opening of subscription for conversation of foreign currencies;
7. The AMC shall submit to the Commission a diskette containing the vetted prospectus and its abridged version.
8. All conditions imposed under section 2CC of the Securities and Exchange Ordinance, 1969 must be complied with and be incorporated in the body of the prospectus and its abridged version;
9. After due approval by the Trustee regarding issue and formation expenses, the AMC shall submit in details to the Commission regarding issue and formation expenses within 15 (fifteen) days of fund operation. The Auditor of the Fund shall also put opinion about the above expense in the initial financial statements of the Fund.
10. The investment policy and guideline and information on constituents of Investment Committee of the Fund approved by the Board shall be submitted to the commission within 30 (thirty) days from the receipt of the Consent Letter. The investment policy and guideline shall include among other issues, the investment delegation power of Chief Executive Officer and the Committee separately and also the meeting resolution presentation process.

1.6 General Information

1. This prospectus has been prepared by Shahjalal Asset 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 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 so given or made, such information or representation must not be relied upon as having been authorized by Shahjalal Asset Management Limited.
3. The issue as contemplated in this document is made in Bangladesh 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 SAML Income Unit Fund will commence at the counter of Shahjalal Asset Management Limited, Al-Razi Complex, Level-9, Block-C, Suite-902, 166-167 Shahid Syed Nazrul Islam Sharani, Dhaka-1000. and designated Selling Agent(s) Branch Offices at the opening of banking business hours on and continue until winding up of the Fund except book closure period as per Rules.



Shahjalal Asset Management Limited will maintain BO accounts with BRAC Bank Limited, custodian of SAML Income Unit Fund for creation and redemption of units of SAML Income Unit Fund. In this case sale/purchase of unit funds by the investor, units will be transferred to the unit holders BO accounts as per instruction of SAML after the acceptance of demat setup by the custodian.

In this case of redemption/repurchase of units by the Asset Manager, units will be taken out from the Central Depository System after setting up remat request by the custodian and acceptance of remat request by the Asset Manager.

1.8 Declarations about the Responsibility of the Sponsor, Trustee, Custodian and Asset Manager:

Declarations about the Responsibility of the Sponsor

The Sponsor, Shahjalal Asset Management Limited, accepts full responsibility for his institution's contribution / portion the authenticity and accuracy of the information contained in this prospectus and other documents regarding SAML Income 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 document, 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/-
Mohammad Samir Uddin, CFA
CEO
Shahjalal Asset Management Limited



Declarations about the Responsibility of the Custodian

We, as Custodian of the SAML INCOME 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/-

Mr. Tareq Refat Ullah Khan
Head of Corporate Banking
BRAC Bank Limited



Declarations about the Responsibility of the Trustee

We, as Trustee of the SAML INCOME UNIT FUND, accept the responsibility and confirm that we shall,

I. be the guardian of the Fund, held in trust for the benefit of the unit holders in accordance with the Rules and the Trust Deed;

II. always act in the interest of the Unit holders;

III. 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;

IV. 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

V. 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/-

Md. Mizanur Rahman
Company Secretary
Sandhani Life Insurance Company Limited

Declarations 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 (সিউইসিএফ) বিধিমালা, ২০০১ and other related agreements and examination of other documents as relevant for adequate disclosure of the Fund's 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 issue;
- ii. all the legal requirements of the issue have been duly fulfilled; and
- iii. the disclosures made are true, fair and adequate for making 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 degree of risk, should invest in the Fund. Investors are requested to pay careful attention to the risk factors as detailed in the 'Risk Factor' section and to take proper cognizance of the risks associated with any investment in the Fund

Sd/-

Mohammad Samir Uddin, CFA
CEO
Shahjalal Asset Management Limited



1.9 Due Diligence Certificate:

Due diligence certificate by Sponsor

[চতুর্থতফসিল- (১) এর (জ) [বিধি ৪৩ (৩) দ্রষ্টব্য]

The chairman
Bangladesh Securities and Exchange Commission
Securities Commission Bhaban
E-6/C, Agargaon
Sher-e-Bangla Nagar Administrative Area
Dhaka-1207, Bangladesh

Subject: SAML Income Unit Fund

We, the sponsor of the above-mentioned forthcoming mutual fund, state as follows:

1. We, as the sponsor to the above-mentioned fund, have examined the draft prospectus and other documents and materials as relevant to our decision; and
2. We warrant that we shall comply with the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, Bangladesh Securities and Exchange Commission (public issue) Rules, 2015, Trust Deed of the Fund and the rules, orders, guidelines, directives, notifications and circulars that may be issued by Commission from time to time in this respect.

WE CONFIRM THAT:

- a) All information in the draft prospectus forwarded to the Commission is authentic and accurate;
- b) We as sponsor of the Fund as mentioned above will act as per clause of the trust deed executed with the trustee and shall assume the duties and responsibilities as described in the trust deed and other constitutive documents;
- c) We shall also abide by the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ and conditions imposed by the Commission as regards of the Fund; and
- d) We shall act to our best for the benefit and interests of the unit holders of the Fund.

For sponsor

Sd/-
Mohammad Samir Uddin, CFA
CEO
Shahjalal Asset Management Limited



Due diligence certificate by Trustee

[চতুর্থতফসিল- (১) এর (জ) [বিধি ৪৩ (৩) দ্রষ্টব্য]

The Chairman
Bangladesh Securities and Exchange Commission
Securities Commission Bhaban
E-6/C, Agargaon
Sher-e-Bangla Nagar Administrative Area
Dhaka-1207, Bangladesh

Subject: SAML Income Unit Fund

We, the under-noted trustee to the above-mentioned forthcoming mutual fund, state as follows:

1. We, while act as trustee to the above-mentioned fund on behalf of the investors, have examined the draft prospectus and other documents and materials as relevant to our decision; and
2. We warrant that we shall comply with the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, Dhaka Stock Exchange (Listing) Regulations, 2015, Chittagong Stock Exchange (Listing) Regulations, 2015, Trust Deed of the Fund and the Rules, guidelines, circulars, orders and directions that may be issued by the Bangladesh Securities and Exchange Commission from time to time in this respect.

WE CONFIRM THAT:

- a) All information and documents as are relevant to the issue have been received and examined by us and the draft prospectus forwarded to the Commission have been approved by us;
- b) We have also collected and examined all other documents relating to the Fund;
- c) While examining the above documents, we find that all the requirements of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, have been complied with;
- d) We shall act as trustee of the fund as mentioned above as per provisions of the trust deed executed with the sponsor and shall assume the duties and responsibilities as described in the Trust Deed and other constitutive documents;
- e) We shall also abide by the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, and conditions imposed by the Commission as regards of the Fund; and
- f) We shall act to our best for the benefit and sole interests of the unit holders of the Fund;

For Trustee

Sd/-
Md. Mizanur Rahman
Company Secretary
Sandhani Life Insurance Company Limited



Due diligence certificate by Custodian

[চতুর্থতফসিল- (১) এর (জ) [বিধি ৪৩ (৩) দ্রষ্টব্য]

The Chairman
Bangladesh Securities and Exchange Commission
Securities Commission Bhaban
E-6/C, Agargaon
Sher-e-Bangla Nagar Administrative Area
Dhaka-1207, Bangladesh

Subject: SAML Income Unit Fund

We, the under-noted Custodian to the above-mentioned forthcoming mutual fund, state as follows:

We, while act as custodian to the above-mentioned fund on behalf of the investors, shall comply with the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, Depository Act, 1999, Depository Regulation, 2000, Depository (User) Regulation, 2003, Trust Deed of the Fund and the Rules, guidelines, circulars, order and directions that may be issued by the Bangladesh Securities and Exchange Commission from time to time in this respect.

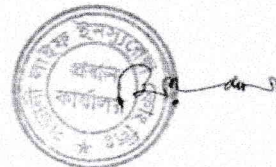
WE CONFIRM THAT:

- We will keep all securities (both) listed and unlisted and Assets of the "SAML Income Unit Fund" including FDR receipts in safe and separate custody as per বিধি 41 of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ and will provide highest security for the assets of the Fund;
- We shall act as custodian of the fund as mentioned above as per provisions of the custodian agreement executed with the asset management company and shall assume the duties and responsibilities as described in the trust deed of the mentioned fund and other constitutive documents;
- We shall also abide by the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, and conditions imposed by the Commission as regards of the fund; and
- We shall act to our best for the benefit and sole interests of the unit holders of the fund;

For Custodian

Sd/-

Mr. Tareq Refat Ullah Khan
Head of Corporate Banking
BRAC Bank Limited



Due diligence certificate by Asset Manager

[চতুর্থতকসিল- (১) এর (জ) [বিধি ৪৩ (৩) দ্রষ্টব্য]

The Chairman
Bangladesh Securities and Exchange Commission
Securities Commission Bhaban
E-6/C, Agargaon
Sher-e-Bangla Nagar Administrative Area
Dhaka-1207, Bangladesh

Subject: SAML Income Unit Fund

We, the under-noted Asset Manager to the above-mentioned forthcoming mutual fund, state as follows:

1. We, while act as asset manager to the above mentioned mutual fund, declare and certify that the information provided in the prospectus, is complete and true in all respects;
2. We further certify that we shall inform the Bangladesh Securities and Exchange Commission immediately of any change in the information of the fund; and
3. We warrant that we shall comply with the Securities and Exchange Ordinance, 1969, the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, Dhaka Stock Exchange (Listing) Regulations, 2015, Chittagong Stock Exchange (Listing) Regulations, 2015, Trust Deed of the Fund and the Rules, guidelines, circulars, orders and directions that may be issued by the Bangladesh Securities and Exchange Commission from time to time in this respect.

WE CONFIRM THAT

- a) The draft prospectus forwarded to the Commission is in conformity with the documents, materials and papers relevant to the Fund;
- b) All the legal requirements connected with the said fund have been duly complied with; and
- c) The disclosures made in the draft prospectus are true, fair and adequate to enable the investors to make a well-informed decision for investment in the proposed fund.

For the Asset Manager

Sd/-
Mohammad Samir Uddin, CFA
CEO
Shahjalal Asset Management Limited



CHAPTER 2: BACKGROUND

2.1 Preamble to Formation of SAML Income Unit Fund

Open-ended mutual fund is widely popular throughout the world among all kinds of investors. It is highly accepted and praised investment vehicle offering a lot more flexibilities to the investors. Globally at present, most of the mutual funds are open-ended ones. The scenario in Bangladesh has changed a lot over the last couple of years as a good number of open-ended funds were launched.

Shahjalal Asset Management Limited, one of the leading Asset Management firms in the country, is going to launch its first open-ended fund named "SAML Income Unit Fund". Shahjalal Asset Management Limited believes that it would be able to perform well in case of the proposed "SAML Income Unit Fund".

The parties to the fund are: Shahjalal Asset Management Limited as the Sponsor & the Asset Manager, Sandhani Life Insurance Company Limited as the Trustee and BRAC Bank Limited as the Custodian of the Fund.

2.2 Importance of SAML Income Unit Fund considering current capital market

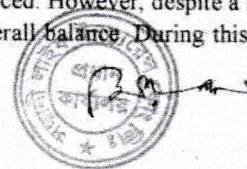
2.2.1 Rapidly Growing Economy:

Economic Overview:

GDP (In Crore Tk.)	1,732,864	1,975,815	2,250,479	2,536,177
Real GDP growth (%)	7.1	7.3	7.9	8.1
Per Capita GDP (In Tk.)	108,378	122,152	137,518	153,197
Inflation Rate (%)	5.9	6.3	5.8	5.5
Investment (% GDP)	29.7	30.5	31.2	31.6
Current Account (in % of GDP)	1.9	-0.5	-3.6	-1.8

Source: Bangladesh Economic Review 2019

Bangladesh has been able to maintain the continuity and stability of the economic growth by tackling the adverse effect of the global and domestic front. According to the provisional estimate of Bangladesh Bureau of Statistics (BBS), GDP growth for FY2018-19 reached 8.13 percent, significantly higher than the growth of 7.86 percent in the preceding fiscal year. The per capita national income reached US\$1,909 in FY2018-19 from US\$1,751 a year earlier. With the moderate food inflation, the average inflation rate stood at 5.44 percent during the first nine months of the current fiscal year. The revenue collection remained at satisfactory level with a growth rate of 8.88 percent in tax revenue collection during the first eight months of current fiscal year. Export sector also gained momentum and achieved 12.57 percent growth in the first nine months of the current fiscal year. On the contrary, import increased by 5.63 percent in the first eight months of the current fiscal year. Remittance increased by 10.30 percent in the first nine months of the current fiscal year. The trade deficit has reduced due to the high growth in export earnings and the reduction in the import expense rate. At the same time, due to the high growth of the remittance flow, deficit in the current account balance reduced. However, despite a surplus of capital and financial accounts, till February 2019, there is a deficit in the overall balance. During this period, a



moderate depreciation in exchange rate of Taka with the US dollar is being observed. However, the foreign exchange reserve remained steady. Foreign exchange reserve stood at US\$32.12 billion on 30 April 2019. Private sector credit grew at 12.54 percent at the end of February 2019. The GDP under the Medium-Term Macroeconomic Framework (MTMF) has been projected to grow at the rate of 8.2 percent in FY2019-20, which is expected to be achieved through the implementation of prudent fiscal management, efficient and effective monetary policy and ongoing reform programs taken by the government.

Source: Bangladesh Economic Review 2019

2.2.2 Growing opportunities for investments in Capital Market:

It is widely known that Capital Market globally has been one of the most significant factors for the development of economies. In one hand, it provides required growth funding for majority of the global successful companies, on the other hand, it has been the most desired investment destination for long term savers specially pension funds, insurances funds, and for the individuals in general.

The Capital Market of Bangladesh is still in the developing phase, in terms of quality of capital, quality & quantity of investable instruments, efficiently and regulatory strength. Through various ups and downs both the market and the regulators are gaining their strength.

The BSEC has taken a number of steps to restore investor confidence, including, but not limited to, the demutualization of the bourses, introducing faster and more reliable trading platform, a more modern surveillance system, encouraging more public issues to increase market depth.

The new Public Issue rules issued in 2015 has already increased the flow of IPO applications and the amended book building method is making good companies interested in listing. In addition, BSEC has also issued several other rules and guidelines such as Alternative Investment Rules, Exchange Traded Fund Rules, and Financial Derivatives Rules.

Under the Alternative Investment Rules, fund managers can float venture capital funds, private equity funds and impact investment funds. Fund managers will invest in growing companies and actively add value to the firm through their financial and managerial expertise. Once the investee company is ready, fund managers are most likely to exit their investment through IPO or other agreed arrangements. These coordinated efforts will make the capital market vibrant and enhance the transparency and efficiency of overall capital market industry in the long run.

Considering all the factors, Bangladesh is expected to register significant growth, and some of listed sectors and companies within are likely to be beneficiary of this growth, as well. In this backdrop, this is perhaps more suitable time to invest in the leading growth potential sectors/industries of Bangladesh.

Mutual Funds will play a significant role in institutionalizing the market-structure and distributing benefits of the capital market in Bangladesh. Shahjalal Asset Management Limited has taken an initiative by introducing the SAML Income Unit Fund for the benefit of investors. The idea is to help transform the capital market from a speculative hub to a saving hub.

2.3 Advantages of Investing in SAML Income Unit Fund

Generally, investment in mutual funds provides certain incremental advantages when compared to investment made directly in the capital market. Highlighted below are some of the advantages the investors may benefit from when investing in SAML Income Unit Fund:

- ❖ Mutual funds generally lower investment risks for small and retail investors through diversification into multiple sectors, companies, securities, and via investing in various asset classes. The fund manager will



attempt to maximize return for a given level of risk and always conduct a balance in its risk-return tradeoff.

- ❖ Mutual funds through its diversified pool of investments will provide small investors access to returns of the wider market, which will be very costly for retail investors to achieve individually.
- ❖ Greater participation of mutual funds will add to enhanced liquidity to the overall market and, since most mutual funds are long term investment vehicles, this will create price stability and better price discovery and reduce short term volatility in the market.
- ❖ The Fund's performance will benefit from the **Shahjalal Asset Management Limited** proprietary investment process and research tools for both fundamental and technical analysis; AMC has a highly skilled in-house research team who are experienced investment professionals dedicated to research the stock market, its scripts and the impact of the broader macro-economic factors that impact the market.
- ❖ In Bangladesh, mutual funds enjoy a 10% (ten percent) reserved quota for all Initial Public Offerings (IPOs). IPOs in Bangladesh have historically performed very well relative to the market index and have positively contributed to mutual fund performance.
- ❖ The investors will be able to save significantly in transaction costs as he/she will have access to a large number of securities by purchasing a single unit of the mutual fund.
- ❖ Dividend income will be tax free up to Taka 25,000 as permitted under the Finance Act.
- ❖ Investment in the Fund will qualify for investment tax credit under section 44(2) of the Income Tax Ordinance 1984.
- ❖ Management and operations of mutual funds are subject to strict regulations from the BSEC and the Sponsor appointed Trustee, both of whom closely monitor the performance of the fund. The laws governing mutual funds require exhaustive disclosure to the regulator and general public.
- ❖ Price of the Units of the fund won't be determined by demand and supply, rather by Net Asset Value (NAV).



CHAPTER 3: THE FUND

3.1 Formation of the Fund

The Trust Deed of the Fund was registered on March 02, 2020 under the Trust Act, 1882 and Registration Act, 1908. The Fund was registered by the BSEC on June 01, 2020 under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.

3.2 Life of the Fund

The Fund will be an open-ended mutual fund with a perpetual life. Institutional, local & foreign individual, resident & non-resident investors are eligible to invest in this Fund. The initial target size of the Fund will be Tk 100,000,000 (Taka Ten Crore) only divided into 10,000,000 (One 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 BSEC.

3.3 Face Value and Denomination

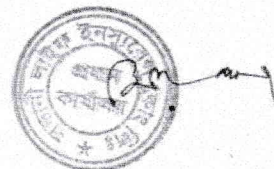
Face value of each Unit will be Tk. 10 (Taka Ten) only. Initially, unit holders of the Fund shall be issued with a Confirmation of Unit Allocation letter by the Asset Manager at the cost of the Fund in any denomination but not less than 2,000 (Two Thousand) units for individuals and 5,000 (Five Thousand) units for institutions.

3.4 Investment Objective

The objective of the fund is to generate healthy returns for the valued unit holders maintaining efficient risk management and making prudent investment decisions.

3.5 Investment Policies

1. The Fund shall invest subject to the বিধিমালা and only in those securities, deposits and investments approved by the Bangladesh Securities and Exchange Commission (BSEC) and/or any other competent authority in this regard.
2. Not less than 60 (Sixty) 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) percent shall be invested in listed securities.
3. 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).
4. Not more than 15 (Fifteen) percent of the total asset of the Scheme of the Fund shall be invested in pre-IPOs at a time or as per rules.



5. 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.
6. The Fund shall get the securities purchased or transferred in the name of the Fund.
7. 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.
8. The Asset Management Company shall choose broker(s) for the purpose of purchase and sale of securities for the Fund's portfolio.
9. Settlement of transaction shall take place as per the customs and practice of the relevant laws.

3.6 Investment Restrictions

In making investment decision the following restrictions should be taken due consideration:

- i. The Fund shall not invest more than 10 (Ten) percent of its total assets in any one particular company.
- ii. The Fund shall not invest in more than 15 (Fifteen) percent of any company's paid up capital.
- iii. The Fund shall not invest more than 20 (Twenty) percent 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 single industry.
- v. The Fund shall not invest in, or lend to, another 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 Manager on behalf of the Fund shall not give or guarantee term loans for any purpose or take up any activity in contravention of the বিধিমালা.
- 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.

3.7 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 by the total number of units outstanding) as per বিধি ৬০ of the বিধিমালা. As per বিধি ৫৮ of the বিধিমালা, valuation policy of investment of the Fund needs to be approved earlier by the BSEC. Valuation criteria so far approved by the Commission in the Trust Deed is as follows:



- 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 Fund but shall not be more than the intrinsic value of the securities.
- vi. The valuation of non-listed securities shall 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 Fund.
- vii. Once non-listed securities are valued, the valued amount will be considered for the 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: **Total NAV = VA - LT**

NAV per Unit = Total NAV / Number of Units outstanding

VA = 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

LT = 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.



3.8 Limitation of Expenses

The initial issue expenses in respect of the Fund shall not exceed 5 (five) percent of the collected 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 AMC fees, Trustee fees, the annual registration fees payable to the Commission, audit fees, cost of publication of reports and periodicals, bank charge, commission of selling agents etc., shall not exceed 4 (four) percent of the weekly average net asset outstanding during any accounting year.

3.9 Price Fixation Policy and Sale & Re-purchase Procedure

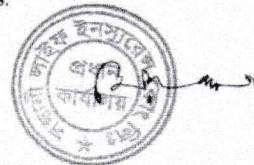
After completion of initial subscription, the Fund will be opened to the investors for regular buy/sale of Units. The date of re-opening shall be declared by the asset manager upon approval of the Trustee and with due intimation to the BSEC. The asset manager shall calculate the Net Asset Value (NAV) per unit on the last working day of every week as per formula prescribed in the বিকিমালা and shall disclose sales price and repurchase/surrender price per unit determined on the basis of NAV before commencement 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 surrender value shall be 3% percent of the sale price of the Unit and may increase up to 5% of the sale price at the decision of the Board of Directors of the Asset Management Company. (The difference between sales price and surrender value shall not exceed 5% of the sale price of the unit).

The unit holders may surrender their unit certificates during the business hour as specified by the Asset Management Company. The fund shall be liable to repurchase the units at the surrender value determined by the Asset Management Company. Sale and repurchase of unit certificates by Asset Management Company shall remain closed during first three weeks of January unless the Commission decides otherwise.

Sale and repurchase procedure is given below:

- i. The Units of **SAML Income Unit Fund** may be bought /surrendered through **Shahjalal Asset Management Limited** and authorized selling agents appointed by the Asset Manager from time to time and any other procedure as prescribed by the Asset Manager. Surrender of units is allowed only through SAML or the selling agent from which the units are originally purchased.
- ii. During initial subscription minimum purchase amount for individual investors is 2,000 (Two thousand) Units and for institutional investors is 5,000 (Five Thousand) Units.
- iii. Application for purchase of Units should be accompanied by an account payee cheque/pay order/bank draft in favor of 'SAML Income Unit Fund' for the total value of Units.



CHAPTER 8: SALES AGENTS

8.1 Selling agent:

Initially only the Asset Management Company will sell the units of the Fund. The asset manager in future may appoint other organizations as its agent or cancel any of the agents named above subject to approval of the Trustee and with due intimation to the BSEC.

Address for sell and repurchase:

Shahjalal Asset Management Limited
Al-Razi Complex, Level-9, Block-C, Suite-902,
166-167 Shahid Syed Nazrul Islam Sharani,
Dhaka-1000.



CHAPTER 7: UNIT SUBSCRIPTION

7.1 Terms and Conditions of Unit Subscription

- i. The Units of SAML Income Unit Fund may be bought and surrendered/repurchased through Shahjalal Asset Management Limited and authorized Selling Agents appointed by Shahjalal Asset Management Limited from time to time.
- 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 Bangladesh) and not by a firm, minor or persons of unsound mind.
- iii. Joint application by two persons is acceptable. In such cases, registration and issuance of Confirmation of Unit Allocation will be in favor of principal applicant while dividend and other benefits, if any, will be addressed to bank account of principal applicant mentioned in the application form/ bank account mentioned in BO account. 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 2,000 (Two thousand) Units and for institutional investors is 5,000 (five thousand) Units.
- v. Application for purchase of Units should be accompanied by an account payee cheque/pay order/bank draft in favor of 'SAML Income Unit Fund' for the total value of the Units.
- vi. After clearance/encashment of cheque/draft/pay order, the applicant will be issued with a Confirmation of Unit Allocation against every purchase of Units he/she/the institutional investor applies for. If BO A/C is provided during the registration, the units will also be delivered to the unit holder's BO A/C in demat form.
- vii. Partial surrender is allowed without any additional cost subject to minimum surrender quantity is 2,000 (Two thousand) units for individuals and 5,000 (Five Thousand) units for institutions. Upon partial surrender, the Unit holder(s) will be issued with a new Confirmation of Unit Allocation representing the balance of his/her/their 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 the Asset Manager from time to time except in the case of transfer by way of inheritance.
- ix. 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. The unit holders may change their dividend preference in future as per their need.
- x. All payments /receipts in connection with or arising out of transactions of the Units applied for shall be in Bangladeshi Taka.



CHAPTER 6: SIZE OF THE FUND, TAX ADVANTAGE AND RIGHTS OF UNIT HOLDERS

6.1 Size of the Issue

6.1.1 Sponsor's Subscription

Shahjalal Asset Management Limited, the sponsor, has already subscribed Tk 10,000,000 (Taka One Crore) only worth of Units equivalent to 1,000,000 (Ten Lac) Units of Tk 10 (Ten) each at par on March 18, 2020, the effective date as per সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০৯.

6.1.2 Pre-IPO Placement and IPO:

The initial size of the Fund shall be Tk 100,000,000 (Taka Ten Crore) only divided into 10,000,000 (One Crore) Units of Tk 10 (Taka ten) each which may be increased from time to time by the 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:

Subscriber	Number of units	Face value	Amount (Tk)	Status
Sponsor Shahjalal Asset Management Limited	1,000,000	10	10,000,000	Subscribed
General Investors	9,000,000	10	90,000,000	Yet to be Subscribed
Total	10,000,000	10	100,000,000	

6.3 Tax Advantage

6.3.1 Tax advantage on Income: Income from a mutual fund or a unit fund up to Tk. 25,000.00 (Twenty-Five Thousand) is exempted from tax as per clause 22A of Schedule (Part A) Under Income Tax Ordinance 1984.

6.3.2 Investment Tax Credit: According to the current Income Tax Ordinance (ITO) 1984, section 44(2) (c), amended in 2016, amount of allowable investment is-actual investment or 25% of the total (taxable) income or BDT 150,00,000.00 whichever is lowest.

According to Section 44(2)(b) under Income Tax Ordinance 1984, the tax rebate is from 15% to 10% as per following schedule:

Total Income	Rate of Tax Rebate
Up to BDT 15,00,000.00	15% of eligible amount.
Over BDT 15,00,000.00	10% of eligible amount.

Example:

An individual earning total annual taxable income BDT 1,00,00,000.00(One crore) only may have allowed investment for tax rebate BDT 25,00,000.00 (BDT 1,00,000.00 multiplied by 25% allowed).

Ignoring actual investment, this BDT 25,00,000.00 is lowest among eligible amounts, hence tax rebate will be applied on it.



The individual will have total tax rebate calculated as under:

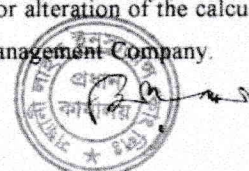
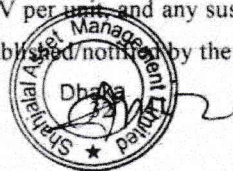
a) Up to BDT 15,00,000.00 eligible amount at the rate of 15%	2,25,000.00
b) Over BDT 15,00,000.00 eligible amount at the rate of 10%	1,00,000.00
Total rebate	3,25,000.00

This investment can reduce tax liabilities by BDT 3,25,000.00 by investing in this fund.

This is a simple illustration. The amount can vary and will depend on individual circumstances. Also, please note that the tax rebates may change as per Government's decision in any year. Investors are advised to consult with tax advisor, if required.

6.4 Rights of the Unit holders

- a) 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.
- b) Transfer of Units: Units of the Fund are transferable by way of inheritance/gift and/or by specific operation of law.
- c) Dividend: All the Unit holders have equal but proportionate right in respect of dividend.
- d) 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 newspaper, the website of the Asset Manager, the Selling Agent(s) to be appointed by the Asset Manager from time to time and any other means as the Asset Manager may deem fit.
- e) Accounts and Information: The Fund's financial year will be closed on 31st December every year and the first year will end on 31st December, 2020. Annual report or major head of income and 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 বিধিমালা.
- f) Beneficial Interest
 1. The unit holders shall preserve only the beneficial interest in the trust properties on pro rata basis of their ownership of the Fund.
 2. Furthermore, the NAV, NAV per unit and any suspension or alteration of the calculation of NAV of the Fund will be published/notified by the Asset Management Company.



5.6.8 Audit Fee

The audit fee will be Tk 20,000 (Twenty thousand) only excluding VAT, for the first accounting year and the Trustee will fix fees for subsequent years.

5.6.9 Brokerage Fee

The fund will pay to the stock broker commission of 0.18%-0.30% of the total amount of transaction including Howla, Laga, CDBL fees and any other associated costs.

5.6.10 Amortization of Issue and Formation Expenses

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

The total expense charged to the fund, except the amortization of initial issue expenses and including transaction cost in the form of stock brokerage against buy and sell of securities forming a part of acquisition and disposal cost of such securities, transaction fee 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) percentage of the weekly average net asset outstanding during any accounting year.



5.6.3 Trustee Fee

The Trustee shall be paid an annual Trusteeship fee at the following rate on semi-annual in advance basis

Sl. No.	Fees Tranches	Fees
1	NAV of the first 200 crore of fund	0.10%
2	NAV of the next 100 crore of fund	0.09%
3	NAV of the remaining fund	0.08%

5.6.4 Custodian Fee

The fee for Custodian services will be 0.07% per annum of balance securities held by the fund, calculated on the average market value per month. Besides this, the fund will bear all other expenses viz (a) transaction fee of Tk. 200.00 per transaction (b) local duties and fees like stamp duty on transaction, stamp duty on transfer deed (c) levies, brokerage, registrar's fees, local counsel / representation, external auditor's at the client's request, depository fees etc. However, a fee cap of 0.09% per annum on balance securities held by the fund, calculated on the average market value per month would be applicable if the total expenses (including custodian fees, transaction fees & other expenses, mentioned above) per annum go higher than the mentioned fee cap amount. The fee for Custodian services will be realized semi-annually.

5.6.5 CDBL Fee

The fixed Annual fee of CDBL will be Tk. 20,000 (Twenty thousand) only plus VAT. Annual Central Depository System (CDS) connection fee will be Tk. 6,000 (Six thousand) only plus VAT.

5.6.6 Fund Registration and Annual Fee

The Fund has paid Tk 200,000 (Two lac) only to the Bangladesh 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 (সিউইসিএফ) বিধিমালা, ২০০৯.

5.6.7 Commission Payable to Selling Agent(s)

The Fund shall pay commission to the authorized selling agent(s) to be appointed by the Asset Manager @ 1.0 percent on the transaction amount of sales and redemptions which may change in future with the approval of the Trustee.



Bangladesh. He completed his BBA, MBA from Faculty of Business Studies with major in Finance, University of Dhaka.

MRS. SHAHANA FERDOUS, COMPLIANCE OFFICER

Shahana Ferdouse joined Shahjalal Asset Management Limited as Executive Officer in February 2020. She is responsible for performing all regulatory reporting. Prior to joining Shahjalal Asset Management Limited, she worked as Assistant Officer at Bangladesh Finance and Investment Company Ltd. for 5 years. She completed her BBA, MBA from Dhaka City College under National University.

MRS. JAHANARA AKTER TUMPA, EXECUTIVE OFFICER

Jahanara Akter Tumpa joined Shahjalal Asset Management Limited as Executive Officer in November 2018. Ms. Tumpa is responsible for performing day to day operational activities of the company. She completed her BBA majoring in finance from Daffodil International University. She is continuing her EMBA program from Jagannath University.

5.5 Auditors

FAMES & R Chartered Accountants Sharaqa Mac, Flat-2A, House-3/1 & 3/2 Bijoy Nagar, Dhaka-1000, has been appointed as the auditor of the Fund for the first year. Subsequent auditors shall be appointed by the Trustee.

5.6 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, CDBL fees, public offering together with certain other costs and expenses incurred in its operation, including without limitation expenses of legal and consulting service, auditing, other professional fees and expenses, brokerage, share/debenture registration expenses and fees due to the BSEC. The Fund shall 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:



5.6.1 Issue and Formation Expenses

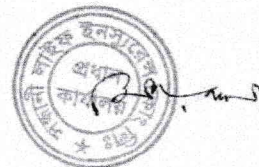
Initial issue and formation expenses are estimated not to be over 5 (five) percent of the collected fund. The issue and formation expenses will be amortized within 7 (seven) years on a straight-line method. The estimated expenses for the issue and formation of the Fund are presented below:

SL	Type of expenses	Percentage of total target fund	Total Tk.	Sub Total / Details	Description
1	Formation fee payable to AMC	1.00%	10,00,000	Set-fee	Formation fee to AMC on collected fund of approved fund size
2	Legal & Compliance related expenses (Application, registration fees etc.)	0.30%	2,99,500		
				10,000	BSEC Application fees
				2,00,000	BSEC Registration fees(0.2% of initial fund size)
				37,500	CDBL fee (Distribution of 1 cr Units X Tk 10X0.00015 CDBL fee rate = Tk. 15,000; CDBL documentation fee = Tk. 2,500; CDBL Annual Fee= Tk. 20,000
				52,000	Trust deed registration related expense
3	Printing & publication	0.15%	1,50,000		
				30,000	Printing of prospectus
				1,00,000	Publication of abridge version of prospectus and IPO notification on daily newspaper
				20,000	Printing of forms, flyers, Scheme brochures and other marketing documents.
	Total	1.45%	18,00,000		

The above costs are made in best estimates, which may vary in actual.

5.6.2 Management Fee

As per the সিকিউরিটিজ ও এগ্রিগেজ 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 up to 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 up to Tk 50.00 crore over 25.00 crore and @ 1.00 percent per annum for additional amount of the weekly average NAV over Tk. 50.00 crore, accrued and payable semi-annually/quarterly.



CHAPTER 5: FORMATION, MANAGEMENT AND ADMINISTRATION

5.1 Sponsor of the Fund

Shahjalal Asset Management Limited (SAML), a new generation Asset Management Company, is licensed and regulated by Bangladesh Securities and Exchange Commission (BSEC). SAML is owned by reputed local companies with strong track record in performance such as Bikrampur Potato Flakes Industries Ltd, Bengal Assets Holdings Limited and SK Trims & Industries Limited. SK Trims, presently an 'A' category company, was listed on the stock exchanges in 2018.

5.2 Trustee of the Fund

In order to ensure maximum trust and confidence of the investors, supervisory bodies and the persons concerned towards the Fund, the Sandhani Life Insurance Company Limited will act as the Trustee of the Fund.

Sandhani Life Insurance Company Limited is a leading insurance company so far engaged in Micro Insurance for the Poor People, Ordinary Life Policy for the General, Group Insurance for the Corporate, Education Policy for the Students, Hajj Policy for the Religious People activities and are Qualified and capable to act as the Trustee of a mutual fund.

The Trustee shall constitute Committee with a minimum of two members, which shall be responsible for discharging the obligations of the Trustee and the first such Committee shall be constituted with the following members, namely: -

1. Chairman, Sandhani Life Finance Ltd.
2. CFO, Sandhani Life Insurance Company Limited
3. Company Secretary, Sandhani Life Insurance Company Limited

The Trustee committee may be changed by the Trustee from time to time with approval of BSEC.

5.3 Custodian of the Fund

BRAC Bank Ltd, a banking company, incorporated under Companies Act, 1994 and Bank Companies Act, 1991 and registered with the Bangladesh Securities & Exchange Commission on December 15, 2009 to act as Custodian, engaged in, among others, custodial services having required capabilities, qualifications and adequate skills in its concerned field of activities.

5.4 Asset Manager of the Fund

Shahjalal Asset Management Limited (SAML), a new generation Asset Management Company, is licensed and regulated by Bangladesh Securities and Exchange Commission (BSEC). SAML is committed to provide fund management service by investment professionals with considerable fund management expertise. SAML was



incorporated on November 11, 2018. It received license from BSEC on June 12, 2019, as an Asset Management Company.

5.4.1 INVESTMENT MANAGEMENT PROCESS

a) Top Down Approach

- Economic Analysis
 - Analyze domestic and global Macroeconomic Indicators
 - Forecast economic outlook of domestic and Global Economy
 - Review Monetary & Fiscal Policies and analyze their implication on macroeconomic condition
- Industry Analysis
 - Identify the prospective industries aligned with positive economic outlook
 - Understand the business dynamics of the industry and identify the key driving forces
 - Review the economic history of the industry in other countries with comparable economic status
- Company Analysis
 - Understand the business dynamics of the covered company
 - Comprehensively understand the Financials of the covered company
 - Interview top level officials of the targeted companies to have complete understanding on their future outlook and strategic vision
 - Apply multiple equity valuation models and estimate the intrinsic price of the stock

b) Supplementary Analysis

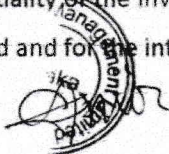
The Capital Market of Bangladesh is in an emerging phase and is neither strongly efficient nor very weak at present. Thus, the importance of the following supplementary analysis is very high.

- Technical Analysis
 - Analyze the stock price data to identify key arbitrage opportunities
 - Distinguish stocks which are fundamentally strong and hold positive outlook with technical analysis with other stocks
- Quantitative Analysis
 - Build Time Series Econometric model to forecast the future price movement dynamics.

5.4.2 Portfolio Management Policy:

1. Optimum sector-wise allocation of fund is the key factor of portfolio Management process.
2. Invest in sectors with positive outlook but maintain the Regulation of Mutual Funds 2001.
3. Focus on the nature of the Fund and make decision which is suitable for the total portfolio.
4. Must consider the market impact for the Investment Decision. Both buying and selling decision must have a significant implication on the overall market dynamics.
5. Market manipulation and utilizing nonpublic insider information is strictly forbidden.

The ethical standard and level of confidentiality of the Investment Manager and its research team are very important for the investors of the fund and for the integrity of the capital market.



5.4.3 Brief profiles of the directors and key personnel of the company:

MR. MOHAMMED JAVED NOMAN, CHAIRMAN

Mohammed Javed Noman is the Chairman of Shahjalal Asset Management Limited. He is nominated by Bikrampur Potato Flakes Ltd- lead supplier of potato flakes, which is used as an ingredient for manufacturing ready meals, mashed potatoes, instant soups, pastas and potato chips. Mr Javed is a man of diversified business background and corporate interests. He is the chairman of Shahjalal Asset Management Limited. He has completed his Bachelor of Business in Accounting from Monash University, Melbourne, Australia in 2008. He has got vast financial knowledge and training in equities and securities market and financial modeling.

Mr. Javed has played a significant role in establishing Bikrampur Potato Flakers Industries Ltd. which is a sister concern of Younus Group of Industries. He has been serving as the Managing Director of Bikrampur Potato Flakes Industries ltd for last 10 years. He has diversified interest in different industry segments. He also holds the position of Director in Sonali Paper & Board Mills Ltd, Younus Newsprint Mills Ltd, Ananta Paper Mills Ltd, Sobhan Ice & Cold Storage Ltd and Younus Cold Storage Ltd.

MRS. NURJAHAN BEGUM DIRECTOR

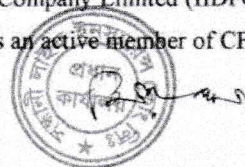
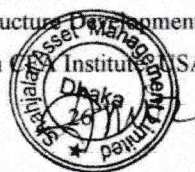
Mrs. Nurjahan Begum, nominated by Bengal Assets Holdings Limited, presently holds the position of Director of Shahjalal Asset Management Limited. She was born on 1 February 1958, in a respectable Muslim family. Her husband name is Mr.Md. Arifur Rahman & her mother name is Late. Anwara Begum. She is also chairman of Bengal Assets Holdings Limited. She has vastly experienced in capital markets, business interest spans Textiles, Foods, and Distribution & Financial services.

MR. M.A. KAYUM HOWLADER

M. A. Kayum Howlader is nominated by SK Trims & Industries Limited, presently holds the position of Director of Shahjalal Asset Management Limited. He has professional experience in ready-made garment and garment accessories business sectors. His diversified corporate background complements his outstanding track record in leadership. Mr Kayum obtained the Bachelor of Arts (BA) from Babugunj Degree College, Barisal. He is also the Managing Director of SK Trims & Industries Ltd. which is a 100% deemed export oriented ready-made garments back-ward linkage industry of RMG sector. SK Trims, presently an 'A' category company, was listed on the stock exchanges in 2018.

MR. MOHAMMAD SAMIR UDDIN, CFA, CHIEF EXECUTIVE OFFICER

Mohammad Samir Uddin, CFA is working as the Chief Executive Officer for Shahjalal Asset Management Limited. He is also the current Chief Anti Money Laundering Compliance Officer (CAMLCO) of the company. Prior to Joining Shahjalal Asset Management, he worked as Fund Manager at VIPB Asset Management Company Limited for 2 years. Mr. Samir also worked as Principal Officer in Export Import Bank of Bangladesh Ltd. for 6 years. He started his career as Trainee Officer in HAC Security Limited in 2011 and also served as Management Trainee Officer (MTO) in Industrial and Infrastructure Development Finance Company Limited (IIDFC) for five months in 2012. He is a CFA Charterholder from CFA Institute, USA and he is an active member of CFA Society



- iv. After clearance/encashment of cheque/draft/pay order, the applicant will be issued with a Confirmation of Unit Allocation against every purchase of Units he/she/the institutional investor applies for. If BO A/C is provided during the registration, the units will also be delivered to the Unit holder's BO A/C.
- v. Partial surrender (fraction of total units held under a Unit Allocation Confirmation) is allowed without any additional cost subject to minimum surrender quantity is 2,000 (Two thousand) units for individuals and 5,000 (Five Thousand) units for institutions. Upon partial surrender, the Unit holder will be issued with a new Confirmation of Unit Allocation representing the balance of his Unit holding.
- vi. All payments/receipts in connection with or arising out of transactions in the Units shall be in Bangladeshi Taka.

3.10 Winding up Policy

3.10.1 Procedure of Winding Up

- i. If the total number of outstanding Units held by the Unit holders after repurchase at any point of time fall below 25 (Twenty Five) percent of the actual Units 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.

3.10.2 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 supersede the mandate if situation demands such.
- ii. The Trustee shall dispose of 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 বিধিমালা 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.

3.10.3 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-ended Fund;
- ii. cease to create and cancel Units of the open-ended Fund;
- iii. cease to issue and redeem Units of the open-ended Fund.

3.11 Fund Management

Shahjalal Asset Management Limited shall conduct the day-to-day management of the Fund's portfolio as the Asset Manager subject to the provisions laid down in the বিধিমালা and trust deed or any general directions given by the Trustee and/or the Commission. However, SAML shall have discretionary authority over the Fund's portfolio about investment decisions.

3.12 Dividend Policy

- i. The accounting year of the Fund shall be 1st January to 31st December;
- ii. As per the rule the Fund shall distribute minimum 70% or as may be determined by the বিধিমালা of the annual net income of the Fund as dividend at the end of the accounting period after making provision for bad and doubtful investments.
The dividend shall be in the form of cash. The Fund shall create a dividend equalization reserve by appropriation from the income of the Scheme;
- 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. Surpluses arising simply from the valuation of investments shall not be available for dividend;
- v. The Fund shall create a dividend equalization reserve by suitable appropriation from the income of the Fund;
- vi. Before registration for transfer of ownership, a transferee shall not possess the right to any dividend declared;
- vii. Dividend warrants will be dispatched within 45 (forty five) days from the declaration of dividend and shall submit a statement within next 7 (seven) days to the commission.



CHAPTER 4: DESCRIPTION OF INVESTMENT RISK

Investing in the SAML Income Unit Fund (hereinafter the Fund) involves certain 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 can fluctuate to increased or decreased level. On redemption, there is no assurance that the investors will receive the amount originally invested. The Fund is suitable for investment by investors who understand the risks involved and who are willing and able to survive the loss of their investments. When investing in the Fund, the investors should carefully consider the risk factors outline below, which are not necessarily exhaustive or mutually exclusive.

1. General Risk

There is no assurance that the Fund will be able to meet its investment objectives and investors could potentially incur losses, including loss of principal when investing in the Fund. Investment in the Fund is not guaranteed by any government agency, the Sponsor or the AMC. Mutual Funds and securities investments are subject to market risks and there can be no assurance or guarantee that the Fund's objectives will be achieved. As with any investment in securities, the Net Asset Value of the Fund may go up or down depending on the various factors and forces affecting the capital markets. Past performance of the Sponsors and their affiliates and the AMC do not indicate the future performance of the Fund. Investors should study this offer document carefully in its entirety before investing.

2. External Risk Factor

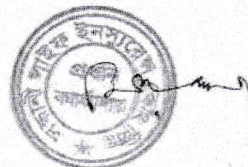
Performance of the Fund is substantially dependent on the macroeconomic situation and in the capital market of Bangladesh. Political and social instability may have an adverse effect on the value of the Fund's assets. Adverse natural climatic condition may impact the performance of the Fund.

3. Market Risk

Bangladesh capital market is highly volatile and prices of other securities can fluctuate significantly. The Fund may lose its value or incur a sizable loss on its investments due to such market volatility. Stock market trends indicate that prices of majority of all the listed securities move in unpredictable direction which may affect the value of the Fund. Furthermore, there is no guarantee that the market prices of the units of the Fund will fully reflect their underlying Net Asset Values.

4. Concentration Risk

Due to the limited number of listed securities in both the stock exchanges (DSE and CSE), it may be difficult to invest the Fund's assets in a widely diversified portfolio as and when required to do so. Due to a very thin secondary fixed income/debt market in Bangladesh, it would be difficult for the Fund Manager to swap between asset classes, if and when required. Limited options in the money market instruments will narrow the opportunity of short term or temporary investments of the Fund which may adversely impact the returns.



5. Dividend Risk

Despite careful investment selection of companies in the Fund, if the companies fail to provide the expected dividend or fail to disburse dividends declared in a timely manner that will impact the income and the overall return of the Fund.

6. Underlying Liquidity Risk

For investing in Pre-Public Offer Placement securities i.e. in the unlisted equity securities by the Fund, may involve liquidity risk. In addition, market conditions and investment allocation may have an impact on the ability to sell securities during periods of market volatility. Debt securities, while somewhat less liquid, lack a well-developed secondary market, which may restrict the selling ability of the Fund, and may lead to the Fund incurring losses till the security is finally sold. While securities listed on the stock exchange carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock exchanges and may lead to the Fund incurring losses till the security is finally sold.

7. Investment Strategy Risk

Since the Fund will be an actively managed portfolio, the Fund is subject to management strategy risk. Although the AMC will apply its investment process and risk minimization techniques, when making investment decisions for the Fund, there can be no guarantee that such process and techniques will produce the desired outcome.

8. Credit Risk

Since the Fund will seek to invest as per the Mutual Fund Regulations (2001) in both equity and fixed income securities, the credit risk of the fixed income issuers is also associated with the Fund. Investment in fixed income securities is subject to the risk of an issuer's inability to meet interest and principal payments on its obligations and market perception of the creditworthiness of the issuer.

9. Interest Rate Risk

The Net Asset Value (NAV) of the Fund is expected to increase consequent upon a fall in interest rate while it is supposed to fall with a rise in the interest rate to the extent it is invested in Debt and Money Market securities. Also, zero coupon securities do not provide periodic interest payments to the holders and hence these are more sensitive to changes in interest rates. So, if the Fund Manager opts for investing in zero coupon securities offering attractive yields that would increase the risk of the portfolio also.

10. Issuer Risk

In addition to market and price risk, value of an individual security can, in addition, be subject to factors unique or specific to the issuer, including but not limited to management malfeasance, lack of accounting transparency, management performance, and management decision to take on financial leverage. Such risk can develop in an unpredictable fashion and can only be partially mitigated, and sometimes not at all, through research or due diligence. To the degree that the Fund is exposed to a security whose value declines due to issuer risk, the fund's value may be impaired.

Mutual Funds do not guarantee any predetermined returns.

