



Sandhani Life Insurance
Company Ltd.



SANDHANI AML SLIC FIXED INCOME FUND



SANDHANI
ASSET MANAGEMENT LIMITED

SANDHANI AML SLIC FIXED INCOME 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 Sandhani AML SLIC Fixed Income Fund (hereinafter “the Fund”) bears certain risks that investors should carefully consider before investing in the Fund. These risks are normally associated with investing 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.

Size of Issue

Proposed Initial Size BDT 500,000,000/- (BDT Five Hundred million)

Total Number of Units 50,000,000 (Fifty million)

Initial / Opening Price

BDT 10/- (BDT Ten) per Unit

Initial Subscription Opens

17 July, 2022

Sponsor

Sandhani Life Insurance Company Limited

Asset Manager

Sandhani Asset Management Limited

Trustee

Bangladesh General Insurance Company Limited

Custodian

BRAC Bank Limited

Banker

BRAC Bank Limited

Auditor

S. F. Ahmed & Co.

Date of Publication of Prospectus

14 July, 2022

The Prospectus is available at the AMC's website at www.sandhaniaml.com

“Investment in Mutual Fund is subject to market risk”,

“পুঁজিবাজার ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন।”

			
Sponsor Sandhani Life Insurance Company Limited	Trustee Bangladesh General Insurance Company Limited	Asset Manager Sandhani Asset Management Limited	Custodian BRAC Bank Limited

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Fund Directory

Registered Office

Sponsor	<p>Sandhani Life Insurance Company Limited Head Office: Sandhani Life Tower, Rajuk plot no-34, Bangla Motor, Dhaka- 1000. PABX: 55168181-5, 9611197, 9664931, 9661241, 01833-325681-2 E-mail: slic@sandhanilife.com Website: www.sandhanilife.com</p>														
Trustee	<p>Bangladesh General Insurance Company Ltd. Head Office: 42, Dilkusha C/A Motijheel Dhaka Phone: 02223383056-8, 02223386125 E-mail: bgicinsurance@yahoo.com, bgicinsurance@gmail.com Website: www.bgicinsure.com</p>														
Custodian	<p>BRAC Bank Limited Anik Tower, 220/B, Tejgaon-Gulshan Link Road, Tejgaon, Dhaka-1208 Email: custodialservices@bracbank.com Website: www.bracbank.com</p>														
Asset Manager	<p>Sandhani Asset Management Ltd. Head Office: 16 Motijheel C/A (4th Floor) Dhaka-1000 Phone: +880 247119677; +880 1858-281050 Email: info@sandhaniaml.com Website: www.sandhaniaml.com</p>														
Auditor	<p>S. F. Ahmed & Co. House 51 (3rd Floor), Road 9, Block F, Banani, Dhaka 1213 Phone: (880-2) 989-4258, 987-1018, 987-0619, 987-0561, 881-6467 & 881-5101 Emails: sfaco@citechco.net, sfaco@sfahmedco.org Website: www.sfahmedco.org</p>														
Banker	<p>BRAC Bank Limited Graphics Building Branch 58 Motijheel C/A Dhaka - 1000 Website: www.bracbank.com</p>														
CDBL	<p>Central Depository Bangladesh Limited DSE Tower(level-5) House-46, Road-21, Nikunja-2, Dhaka - 1229 Phone: +88-02-41040386-95 Email: info@cdbl.com.bd, support@cdbl.com.bd Website: www.cdbl.com.bd</p>														
Selling Agent	<table border="0"> <tr> <td>1. Bluechip Securities Ltd.</td> <td>8. Prime Finance Capital Management Ltd.</td> </tr> <tr> <td>2. BRAC EPL Stock Brokerage Ltd.</td> <td>9. Sandhani Life Finance Ltd.</td> </tr> <tr> <td>3. City Brokerage Ltd.</td> <td>10. Sandhani Life Insurance Company Ltd.</td> </tr> <tr> <td>4. Community Bank Investment Ltd.</td> <td>11. UCB Stock Brokerage Ltd.</td> </tr> <tr> <td>5. Dhaka Bank Securities Ltd.</td> <td>12. UNICAP Investment Ltd.</td> </tr> <tr> <td>6. KHB Securities Ltd.</td> <td>13. UNITED Securities Ltd.</td> </tr> <tr> <td>7. Mona FCS Ltd.</td> <td>14. Vertex Stock and Securities Ltd.</td> </tr> </table>	1. Bluechip Securities Ltd.	8. Prime Finance Capital Management Ltd.	2. BRAC EPL Stock Brokerage Ltd.	9. Sandhani Life Finance Ltd.	3. City Brokerage Ltd.	10. Sandhani Life Insurance Company Ltd.	4. Community Bank Investment Ltd.	11. UCB Stock Brokerage Ltd.	5. Dhaka Bank Securities Ltd.	12. UNICAP Investment Ltd.	6. KHB Securities Ltd.	13. UNITED Securities Ltd.	7. Mona FCS Ltd.	14. Vertex Stock and Securities Ltd.
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Investor Relation Office	<p>Sandhani Asset Management Ltd. Head Office: 16 Motijheel C/A (4th Floor) Dhaka-1000 Phone: +880 247119677; +880 1858-281050 Email: info@sandhaniaml.com Website: www.sandhaniaml.com</p>														

"If you have any query about this document, you may consult the Asset Management Company"

Definitions and Elaboration of Abbreviated Terms

Rule/ বিধিমালা	:	সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১
Act	:	বাংলাদেশ সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন আইন, ১৯৯৩
Allotment	:	Letter of Allotment for units
Application Form	:	A form meant to be used by an investor to purchase Units of the Scheme
Asset Manager/Asset Management Company/Fund Manager/Investment Manager/AMC	:	The Asset Management Company (AMC) refers to Sandhani Asset Management Limited
BB	:	Bangladesh Bank
BBL	:	BRAC Bank Limited
BDT	:	Bangladeshi Taka
BEFTN	:	Bangladesh Electronic Fund Transfer Network
BO A/C	:	Beneficiary Owner's Account
Book Closure	:	Sale and repurchase of units by Asset Management Company and Selling Agent shall remain closed during the month of January unless the Commission decides otherwise
Business Day	:	A day not being: (1) A weekend; (2) A day on which the stock exchanges are closed; (3) A day on which purchase and repurchase of Units is suspended or a book closure period/ record date announced by the Trustee/ AMC; or (4) A day on which normal business cannot be transacted due to unavoidable circumstances or such other events as the AMC may specify from time to time; (5) A day on which banks are closed.
CAGR	:	Compound Annual Growth Rate
CDBL	:	Central Depository Bangladesh Ltd
CDS	:	Central Depository System
CEO/MD	:	Chief Executive Officer / Managing Director
Cheque	:	All payment instruments (Cheque / Pay Order / Demand Draft / Other Banking Instrument) should be MICR (Magnetic Ink Character Recognition) coded as per the Bangladesh Bank Rules
CIP	:	Cumulative Investment Plan
Commission/ BSEC	:	Bangladesh Securities and Exchange Commission
Companies Act	:	কোম্পানী আইন, ১৯৯৪

Confirmation of Unit Allocation	:	Letter confirming allocation of Units
CSE	:	Chittagong Stock Exchange Ltd.
Custodian	:	BRAC Bank Limited
Dividend	:	Income distributed by the Fund, when / where applicable. The Sandhani AML SLIC Fixed Income Fund shall retain all the distributable income to augment its return potential and thereby to increase the NAV.
DPS	:	Deposit Pension Scheme
DSE	:	Dhaka Stock Exchange Ltd.
Effective Date	:	The date of registration of the Trust Deed
EFT	:	Electronic Fund Transfer via BEFTN, NPSB and/or RTGS
EPU	:	Earnings Per Unit
FC Accounts	:	Foreign Currency Account
FDR	:	Fixed Deposit Receipts
FI	:	Financial Institution
FIS	:	Fixed Income Securities
Government	:	The Government of the People's Republic of Bangladesh
GSEC	:	Government Securities
IC	:	Investment Committee
IDRA	:	Insurance Development & Regulatory Authority Bangladesh
IPO	:	Initial Public Offering
ISO	:	Initial Subscription Offering
Issue	:	Public Issue
Load	:	Entry Load: The Premium / charge over the NAV that is paid by an investor when he / she invests an amount in the Mutual Fund Scheme Exit Load: The Discount / charge below the NAV that is paid by an unitholder when he / she redeems units from the Mutual Fund Scheme
Mutual Fund/ The Fund/ Unit Fund/ Open End Mutual Fund/ Fund/ Scheme	:	Sandhani AML SLIC Fixed Income Fund
NAV	:	Net Asset Value
NBFI	:	Non-Bank Financial Institution
NBR	:	National Board of Revenue
Non-Resident Bangladeshi/ NRB	:	Non-resident Bangladeshi (NRB) means Bangladeshi citizens staying abroad including all those who have dual citizenship provided they have a valid Bangladeshi passport or those, whose foreign passport bear a stamp from the concerned Bangladesh embassy/ High Commission to the effect that no visa is required to travel to Bangladesh

NPSB	:	National Payment Switch Bangladesh
Offer Document	:	This document issued by Sandhani AML SLIC Fixed Income Fund , offering units of the Fund for subscription. Any modifications to the offer document will be made by way of an addendum which will be attached to offer document. On issuance of any such addendum, prior approval from BSEC is required and the offer document will be deemed to be updated by the addendum.
Offering Price	:	Price of the Securities of the Fund being offered
Ongoing Offer Period	:	Offer of units of the Fund after the closure of the initial offer period
Prospectus	:	The advertisement or other documents (approved by the BSEC), which contain the investment and all other information in respect of the mutual fund, as required by the বিকশিমালা and is circulated to invite the public to invest in the mutual fund.
Purchase/ Subscription	:	Subscription to/ purchase of units of the Fund
Purchase Price	:	The price, calculated in the manner provided in this offer document, at which the units can be purchased.
Repurchase /Surrender	:	Repurchase of units by the Fund from a unit holder
Repurchase/Surrender Price	:	Price at which the units can be redeemed/repurchased and calculated in the manner provided in this offer document.
RJSC	:	Registrar of Joint Stock Companies and Firms
RTGS	:	Real-Time Gross Settlement
Sales Agent/ Selling Agent/Point of Sales	:	AMC designated official points for accepting transaction/ service requests from investors.
Securities	:	Units of the Fund
SIP	:	Systematic Investment Plan
SND A/C	:	Special Notice Deposit Account
Sponsor	:	Sandhani Life Insurance Company Limited (SLIC)
Subscription	:	Application Money
Trustee / Guardian	:	Bangladesh General Insurance Company Ltd. (BGIC)
Unit Holder	:	A person holding units of Sandhani AML SLIC Fixed Income Fund offered under this offer document.
Unit Certificate/ Certificate	:	Unit Certificate of the Fund in dematerialized form under CDBL
Unit	:	One undivided share in the Fund

Interpretation

For all purposes of this offer document, except as otherwise expressly provided or unless the context otherwise requires:

- Singular terms used in this offer document include the plural, and plural terms include the singular.
- Pronouns having a masculine or feminine gender shall be deemed to include the other.
- A “crore” means “ten million” and a “lakh” means a “hundred thousand”.

Fund Highlights

Fund Name	Sandhani AML SLIC Fixed Income Fund
Nature/ Type	This is a special purpose open ended fund with perpetual life and unlimited size primarily focusing on fixed income securities
Registered and Corporate Office	16 Motijheel, C/A (4th Floor), Dhaka-1000
Regulatory Approval	The Fund received Regulatory Approval and Registration from the Bangladesh Securities and Exchange Commission on 10 April 2022 (Ref: BSEC/Mutual Fund/2022/130).
Fund Objective	To generate return through investments mostly in a range of fixed income securities; predominantly in government securities as well as investment grade corporate bonds and money market instruments while maintaining the optimum balance of yield, safety and liquidity.
Sponsor	Sandhani Life Insurance Company Limited
Trustee	Bangladesh General Insurance Company Limited
Custodian	BRAC Bank Limited
Asset Manager	Sandhani Asset Management Limited
Initial Size of the Fund	Initial target fund size is BDT 500 million (BDT Five Hundred million) i.e. 50 million units of BDT 10/- per unit
Structure	From Sponsor (SLIC) : BDT 100 million (BDT One Hundred million)
	From Public Subscription : BDT 400 million (BDT Four Hundred million)
Face Value	BDT 10/- per unit
Minimum Application Amount	BDT 5,000/- per application (500 Units) for individuals. BDT 50,000/- per application (5,000 Units) for institutions. Not Applicable for SIP investors
Loads	The difference between selling price and repurchase price per unit shall not exceed 1% (one percent) of the NAV per unit at fair value of the Fund, provided that redemption did not take place within 1 (One) year of purchase of unit or redemption amount did not exceed 50% of the outstanding unit holding. In case of redemption before 1-year of holding maximum additional 1% load can be imposed. In case of redemption of more than 50% of outstanding unit holding further additional 1% load can be imposed. However, investor holding investment of less than BDT 5 lac shall not be subject to additional 1% exit load in case of redemption.

Transparency	NAV will be calculated on a weekly basis and shall be published on the website of the Asset Manager (www.sandhaniaml.com) and as prescribed in the Rule
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.
Tax Benefit	Income or dividend of the Fund is subject to Tax in accordance with the provisions of the Income Tax ordinance 1984. Investment in the Fund will qualify for tax credit according to clause 10(1) of Schedule 6, Part B read with section 44(2) of the Income Tax Ordinance 1984. All capital gain, dividend income and interest income within the Fund will be tax exempt. However, the provision of the Income Tax Ordinance is subject to amendment by the Government every year through the Finance Act. As such the Sponsor, Asset Manager or the Trustee does not give any guarantee or undertaking that the provisions will remain same in the next financial year of Bangladesh. If the Unit Holder is a non-resident in Bangladesh said Unit Holder may get tax exemption subject to Double Taxation Avoidance Convention between the Government of Bangladesh and the Government of country of residence of the Unit Holder.
Dividend Policy	The Sandhani AML SLIC Fixed Income Fund aims to achieve long-term capital appreciation and shall not provide any dividend . The unitholders can realize their returns through redemption of the units during the business hour as specified by the Asset Management Company.
Transferability	The Units of the Fund are transferable by way of inheritance/ gift and/ or by specific operation of the law.
Liquidity/ Encashment	The Unit holders can surrender and encash their units to the Asset Manager and through the selling agents appointed by the Asset Manager during the business hours as specified by the Asset Management Company
Systematic Investment Plan (SIP) Facility	Systematic Investment Plan or SIP allows investor to invest a certain pre-determined amount at a regular interval (monthly, quarterly, yearly etc.). A SIP is a planned approach towards investments and helps to inculcate the habit of saving and building wealth for the future. Investor can start SIP with a very small amount.
Reports and Accounts	Every Unit holder is entitled to receive annual report along with the yearly, half yearly and monthly statements of accounts as and when published on the asset management company's website (www.sandhaniaml.com).

Risk Factors

Investors should know that *Sandhani AML SLIC Fixed Income Fund* is not a guaranteed or assured return scheme and the past performance of the Sponsor and their affiliates / AMC does not guarantee future performance of the Scheme. The name of the Scheme does not in any manner indicate either the quality of the Scheme or its future prospects and returns. There can be no assurance that the Fund will achieve its mentioned investment objectives. The Fund value can be volatile and no assurance can be given that investors will receive the amount originally invested. Investing in the *Sandhani AML SLIC Fixed Income Fund* involves some general risks and some scheme specific risks that investors should carefully consider before investing in the Fund.

General Risk Factors:

- I. Due to the fluctuation of the price / value / interest rates of the securities in which Scheme invests, the value of investment in the Scheme may go up or down depending on the various factors and forces affecting the capital markets and money markets.
- II. Government policy and tax laws may change, affecting the return on investments of the fund, which may eventually affect the NAV and return of the Units.
- III. Large number of redemption requests, may lead to an asset-liability mismatch and therefore may require the investment manager to make a quick sale of the securities leading to realignment of the portfolio and consequently resulting in investment in lower yield instruments.
- IV. Delays or other problems in settlement of transactions could result in temporary periods when the assets of the Scheme remain idle and no return is earned thereon. The inability of the Scheme to make intended securities purchase & sale, due to settlement problems, could cause the Scheme to miss certain investment opportunities.
- V. Since the Fund will be an actively managed portfolio, the Fund is subject to investment 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.
- VI. Due to a limited number of high-quality listed securities in both the DSE and CSE, it may be difficult to invest the Fund's assets in a widely diversified portfolio of securities as and when required to do so. Very narrow and thinly traded bond market of the country has not been supporting the Asset Manager to design and implement optimum asset allocation decisions from time to time. 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.

Risk factors associated with investing in Fixed Income Securities:

- I. The Net Asset Value (NAV) of the Scheme, to the extent invested in Debt and Money Market instruments, will be affected by changes in the general level of interest rates.
- II. Money market instruments lack a well-developed secondary market, which may restrict the selling ability of the Scheme and may lead to the Scheme incurring losses till the security is finally sold. Currently, all Government Securities (GSEC) are traded on the over the counter platforms. However, GSEC have over 60 counterparties and liquidity is therefore better than many listed equity securities, corporate bonds and FDR.
- III. Investment in debt instruments are subject to credit risk i.e. the risk of an issuer's inability to meet interest or principal payments on its obligations, which may have their credit ratings downgraded. Changes in financial conditions of an issuer or changes in economic and political conditions specific to the issuer are factors that may affect an issuer's credit quality and security values.
- IV. Government securities have price-risk like any other fixed income security. Generally, when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates. However, Government Securities are unique in the sense that their credit risk generally remains zero. Therefore, their prices are influenced only by movement in interest rates in the financial system.
- V. As zero coupon securities do not provide periodic interest payments to the holder of the security, these securities are more sensitive to changes in interest rates and are subject to default risk of the issuer. Therefore, the interest rate risk of zero coupon securities is higher.
- VI. Certain fixed income securities give an issuer the right to call back its securities before their maturity date, in periods of declining interest rates. The possibility of such prepayment may force the Scheme to reinvest the proceeds of such investment in securities offering lower yields, resulting in lower interest income for the Scheme.

Risk factors associated with investing in equities and equity related instruments:

- I. Generally, the future growth prospect of a company depends on multiple factors, some of which are beyond the level of management capacity. So, if one or some of these factors go unfavorable, it is possible that the company may not be able to deliver the expected growth.

- II. Equity shares and equity related instruments are volatile and prone to price fluctuations on a daily basis.
- III. Securities, which are not listed on the stock exchanges, are illiquid in nature and entails higher liquidity risk, in comparison to securities that are listed on the exchanges.
- IV. While securities that are 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.
- V. Despite careful investment selection of companies in the Fund, if the companies fail to provide the expected dividend or fail to disburse the dividends declared in a timely manner, this will impact the income of the Fund and the overall return of the Fund.

THE MUTUAL FUND IS NOT GUARANTEEING OR ASSURING ANY RETURNS

CHAPTER 1: PRELIMINARY

1.1 Publication of Prospectus for Public Offering

Sandhani Asset Management Limited (Sandhani AML) has received registration certificate from the Bangladesh Securities & Exchange Commission under Bangladesh 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 16 Motijheel C/A (4th Floor), Dhaka-1000, the registered office of Sandhani AML, the Asset Manager of Sandhani AML SLIC Fixed Income Fund, here in after referred to as the Fund.

1.2 Consent of the Bangladesh Securities and Exchange Commission

“APPROVAL OF THE 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 the 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 dematerialized form in Central Depository Bangladesh Limited (CDBL) to facilitate the holding and transfer of the units of the Fund. Units will always be available for sale and surrender/repurchase except on the last working day of every week, Government Holiday, Bank Holiday, Holiday of Stock Exchange(s), any day declared holiday by the AMC and during book closure period / record date of the Fund at the corporate office of Sandhani AML and the offices of authorized selling agents. Sandhani AML shall disclose selling price and surrender value/repurchase price of units at the beginning of business operation on the first working day of every week as per the বিধিমালা.

1.4 Availability of Documents for Inspection

- I. 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 at the website of Bangladesh Securities and Exchange Commission (www.sec.gov.bd) and Sandhani AML (www.sandhaniaml.com).
- II. 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 imposed 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 (ten)** each within **90 (ninety)** days from the date of sale of such units. **All units of the Fund shall be issued in dematerialized form;**
4. Money receipt/acknowledgement slip issued at the time of sale of units will be treated as allotment letter, which shall not be redeemable/transferable;
5. A duly audited annual financial statements including statement of financial position, statement of profit and loss and other comprehensive income, statement of cash flows, statement of changes in unit holder's equity, and accompanying accounting policies and notes to the financial statements of the Fund, and for each scheme of the Fund, once a year, shall be submitted to the Commission, Trustee and Custodian within **90 (ninety)** days from the end of the financial year;
6. A half-yearly financial statement shall be submitted to the Commission and published in at least one National daily newspaper within 30 (thirty) days from the end of the period;
7. A quarterly un-audited financial statement shall be submitted to the Commission and published on its website within **30 (thirty)** days from the end of the quarter of the financial year;
8. A monthly statement of portfolios including changes therein from the previous period shall be submitted to the Commission within **7 (seven)** days from the end of the month;
9. The Fund shall publish a monthly statement to the Commission, within **7 (seven)** days from the end of the month, reporting new

- units sold, capital fund received, units repurchased and capital fund redeemed for every business day of the month;
10. The Fund shall, before expiry of **7 (seven)** days from the end of each month, disclose for all unit holders a complete statement of portfolios of the Fund, or scheme of the Fund, in the prescribed form and shall upload the same on its website;
 11. The Fund shall calculate the Net Asset Value (NAV) per unit at least on the last working day of every week or at any shorter period as decided by the Commission from time to time as per the formula prescribed in the বিধিমালা;
 12. The Fund shall disclose selling price and repurchase price (or surrender price) per unit of the Fund to be calculated on the basis of the Net Asset Value (NAV) per unit at fair value and shall duly publish the information on NAV per unit at fair value, unit selling price and repurchase price in its website, across sales centers, and through press-release;
 13. **The difference between sale price & repurchase/surrender price shall not exceed 1% of the NAV per unit at fair value of the Fund.**
Provided that redemption did not take place within 1 (one) year of purchase of unit or redemption amount did not exceed 50% of outstanding unit holding. In case of redemption before 1 year of holding maximum additional 1% load can be imposed. In case of redemption of more than 50% of outstanding unit holding further additional 1% load can be imposed. However, investor holding investment of less than BDT 5 lac shall not be subject to additional 1% exit load in case of redemption.
 14. BSEC may appoint auditors for special audit/investigation on the affairs of the Fund, if it so desires;
 15. 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;
 16. 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 the prospectus be published in **2 (two)** national daily newspapers (Bengali and English) and one online newspaper;
 17. If abridged version of the prospectus is published in the newspaper, complete prospectus shall be made available to the applicants;
 18. **Initial target size of the fund shall be TK. 50.00 (fifty) crore. The Sponsor shall hold at least 20.00 (twenty) percent of the initial target size and shall disclose Sponsor's amount in the offer document/published prospectus.** The size of the fund may

- be increased from time to time by the AMC subject to approval of the Trustee and with intimation to the Commission;
19. If the Asset Manager fails to collect the minimum 40% of the initial target amount under বিধি ৪৬ as of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ shall refund the subscription money within 30 (thirty) days without any deduction. In case of failure, the Asset Manager will refund the same with an interest @**18 (eighteen)** percent per annum from its own account within the next month;
 20. On the achievement of 40% of the initial target amount, the fund will be allowed to transfer the money from Escrow Account to Operational Account and to commence investment activities of the fund with permission of the Trustee;
 21. The AMC should ensure compliance of বিধি ৪৬ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.
 22. Unit allocation of the Sponsor's contribution amounting to BDT 100,000,000/- (BDT One Hundred million and 20% of the Fund) shall be subject to a lock-in period of **01 (one)** year from the date of formation of the fund and then 1/10th of the Sponsor's contribution only shall be subject to a lock-in period of full tenure of the Fund until liquidation,
 23. A confirmation of Unit allocation of the Sponsor's contribution amounting to BDT 100,000,000/- (BDT One Hundred million and 20% of the Fund) will be issued in favor of the Sponsor. The said confirmation letter shall be in the custody of Trustee. No splitting of the Unit of Sponsor shall be made without prior approval of the Commission;
 24. Annual fee of the fund shall be submitted to the Commission on the fund size i.e., year end Net Asset Value at market price of the fund on advance basis as per Rule; and may adjust the fee in the next year if necessary;
 25. Subscription period of the fund will be 45 (forty-five) days which **will be started on 17th July, 2022 and be ended on 30th August, 2022** as per বিধি ৪৭ of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.

PART-B

Please ensure that the followings are adhered to:

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. The paper cutting of the published prospectus and all other published documents/notices regarding the Unit Fund shall be submitted to the Commission within **24 (twenty-four)** hours of publication thereof;
3. The asset management company shall submit **20 (twenty)** 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/abridged version is published correctly and is a verbatim copy of the prospectus/abridged version 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 opening of subscription for conversion 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 in its abridged version;
9. After due approval by the Trustee regarding issue and formation expenses, the AMC shall submit in details along with supporting documents to the Commission regarding issue and formation expenses within **15 (fifteen)** days of operation of the Fund. The Auditor of the fund shall also put opinion about the above expenses in the initial financial statements of the fund;
10. Bank Statement along with the subscribers list, copies of agreements with Custodian and Selling Agents (if applicable) shall be submitted to the Commission within **15 (fifteen)** days of the completion of the subscription;
11. 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;
12. After due approval of the Trustee, the Asset Manager shall submit the Systematic Investment Plan (SIP) brochure to the Commission complying the Rules within **30 (thirty)** days of issuance of consent letter.

1.6 General Information

- I. This prospectus has been prepared by Sandhani AML 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.
- II. 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 Sandhani AML.
- III. 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

Sandhani AML will maintain two BO Accounts with BRAC Bank Limited, custodian of Sandhani AML SLIC Fixed Income Fund for creation and redemption of units namely “Sandhani AML SLIC Fixed Income Fund – Sale of units” and “Sandhani AML SLIC Fixed Income Fund – Repurchase of units”.

For sale of units, Sandhani AML will issue a certificate for the units sold and send it to BRAC Bank Ltd. for setting up of demat request. After the acceptance of demat setup by BRAC Bank Ltd. from its terminal, units will be credited to the BO Account of “Sandhani AML SLIC Fixed Income Fund - Sale of units”. Then BRAC Bank Ltd. will transfer the units from “Sandhani AML SLIC Fixed Income Fund - Sale of units” to the unit holders’ BO Accounts as per instruction of Sandhani AML.

In the case of redemption / repurchase by the Asset Manager, the unit holder will transfer his / her / the Institutional holder’s units to the “Sandhani AML SLIC Fixed Income Fund – Repurchase of units”. BRAC Bank Ltd. will remat the units from the “Sandhani AML SLIC Fixed Income Fund – Repurchase of units” BO account as per instruction of Sandhani AML. Simultaneously, the payment will be made to the investor’s Bank Account through Cheque / BEFTN as per the request of the investor.

1.8 Systematic Investment Plan (SIP)

A Systematic Investment Plan or SIP is a smart and easier mode for investing money in mutual funds. SIP allows an investor to invest a

certain pre-determined amount at a regular interval (monthly, quarterly, yearly etc.). A SIP is a planned approach towards investments and helps to inculcate the habit of saving and building wealth for the future.

Buy and Surrender SIP Process:

An investor can invest through SIP either by auto debit system provided against investor's Bank Account or by providing monthly predetermined cheques via selling agents at a regular interval (monthly/bi-monthly/quarterly). Investor must have a BO Account; he/she will get the SIP units in his/her BO Account and may get a discount from ongoing Weekly "Investor's Buy Price" of the mutual fund.

It is advisable to continue SIP investments with a long-term perspective, there is no compulsion. Investors can discontinue the plan at any time. If an investor wants to terminate the SIP before 1 (one) year, 1%-3% discount from the "Investor's sale/surrender price" may be applicable on total accumulated invested units on the date of cancellation of the scheme. After maturity of SIP, the investor can easily surrender his / her total units through the AMC or the Selling Agents.

Benefits may be offered for Investors as such:

SIP encourages a disciplined investment. While invested through SIP, investor commits himself to save regularly. Different benefits may be offered as follows:

- **Flexibility:** Investor can start SIP with a very small amount that is BDT 1000/2000/3000/4000/5000 or multiple of BDT 500/1000. One can also increase/ decrease the amount being to be invested in regular fashion.
- **Flexible SIP Tenor:** The scheme will be offered for at least 2 years or any other period set by AMC. However, investor can set SIP scheme for 3 years/ 5 years/ 10 years. After this time period the individual scheme will be matured and may surrender or continue holding the Units after maturity. If surrendered, no fees/charges will be charged on surrender and may also offer highest premium over the declared surrendered price.
- **No Minimum lot size:** There will be no minimum lot size under the SIP as like normal investors. Based on "Investor's Buy Price" per unit available for SIP investors, units will be credited to investor's BO account. However, any fraction amount remaining will be converted when it sums up to one unit. The fractional amount will be kept as liability of the fund in a separate account head.
- **Entry load/Exit Load:** Entry load is not applicable. Nevertheless, exit load will be applicable in following manner:
The difference between selling price and repurchase price per unit

shall not exceed 1% (one percent) of the NAV per unit at fair value of the Fund, provided that redemption did not take place within 1 (One) year of purchase of unit or redemption amount did not exceed 50% of the outstanding unit holding. In case of redemption before 1-year of holding maximum additional 1% load can be imposed. In case of redemption of more than 50% of outstanding unit holding further additional 1% load can be imposed. However, investor holding investment of less than BDT 5 lac shall not be subject to additional 1% exit load in case of redemption.

- **Buy at Discount and Surrender at premium:** SIP investor may buy units at a discount from weekly “Investor’s Buy Price” offered to the normal investors. In addition to that, SIP investor may surrender at a premium of “Investor’s sale/surrender price” offered to the normal unitholders at maturity or ending of the pre-agreed SIP tenure.

Details of SIP Scheme will be provided in the Scheme Brochure in future.

1.9 Declarations

Declarations about the responsibility of the Sponsor

We, as the Sponsor of the Sandhani AML SLIC Fixed Income Fund, accept full responsibility for the authenticity and accuracy of the information contained in this Prospectus and other documents regarding the mutual fund. To the best of our knowledge and belief, we have 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 (AMC), have been met and there is no other information or documents, the omission of which may make any information or statements therein misleading.

We also confirm that full and fair disclosures have been made in this Prospectus to enable the investors to make an informed decision for investment.

Sd/-

Nemai Kumar Saha
Chief Executive Officer
Sandhani Life Insurance Company Limited

Declarations about the Responsibility of the Trustee

We, as Trustee of the Sandhani AML SLIC Fixed Income 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 sure that there is no contradiction between Prospectus and Trust Deed & সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১,
- V. 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;
- VI. and 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

Managing Director & CEO

Bangladesh General Insurance Company Limited

Declarations about the Responsibility of the Custodian

We, as the Custodian of the Sandhani AML SLIC Fixed Income 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/-

Tareq Refat Ullah Khan

DMD & Head of Corporate Banking

BRAC Bank Limited

Declarations about the Responsibility of the Asset Management Company

We, as the Asset Manager of Sandhani AML SLIC Fixed Income Fund, accept the responsibility and confirm that:

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 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 be aware of the risks associated with any investment in the Fund.

Sd/-

Mir Ariful Islam
Managing Director & CEO
Sandhani Asset Management Limited

1.10 Due Diligence Certificate

DUE DILIGENCE CERTIFICATE BY SPONSOR

চতুর্থ তফসিল - (১) এর (জ) [বিধি ৪৩ (৩) দৃষ্টব্য]

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

Subject: Sandhani AML SLIC Fixed Income 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 clauses 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/-
Nemai Kumar Saha
Chief Executive Officer
Sandhani Life Insurance Company Limited

DUE DILIGENCE CERTIFICATE BY TRUSTEE

চতুর্থ তফসিল - (১) এর (জ) [বিধি ৪৩ (৩) দৃষ্টব্য]

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

Subject: Sandhani AML SLIC Fixed Income 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, directives and notifications 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/-

Ahmed Saifuddin Chowdhury
Managing Director & CEO

Bangladesh General Insurance Company Limited

DUE DILIGENCE CERTIFICATE BY CUSTODIAN

চতুর্থ তফসিল - (১) এর (জ) [বিধি ৪৩ (৩) দৃষ্টব্য]

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

Subject: Sandhani AML SLIC Fixed Income Fund

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

1. We, while acting 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, 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) We will keep all the securities (both listed and Non-listed) and Assets of the "Sandhani AML SLIC Fixed Income Fund" including FDR receipts in safe and separate custody as per বিধি ৪১ of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, and will provide highest security for the assets of the Fund;
- b) 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;
- 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 sole interests of the unit holders of the fund;

For Custodian
Sd/-
Tareq Refat Ullah Khan
DMD & Head of Corporate Banking
BRAC Bank Limited

DUE DILIGENCE CERTIFICATE BY ASSET MANAGER

চতুর্থ তফসিল - (১) এর (জ) [বিধি ৪৩ (৩) দৃষ্টব্য]

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

Subject: Sandhani AML SLIC Fixed Income 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, 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/-

Mir Ariful Islam
Managing Director & CEO
Sandhani Asset Management Limited

CHAPTER 2: BACKGROUND

2.1 Preamble to Formation of Sandhani AML SLIC Fixed Income Fund

In Bangladesh, the main participants in the government securities (GSEC) market are banks, NBFIs and insurance companies. Many investors (both individuals and institutions) do not have required knowledge and experience about the GSEC market and how one can invest and liquidate their holdings, and other operational processes. Also, at present, the minimum transaction size for investing in GSEC is BDT 100,000/- (BDT One hundred thousand only). This large minimum transaction size discourages many retail investors from investing in the GSEC market as they cannot diversify their savings adequately by investing in different maturity sectors and durations. Sadly, most investors also do not understand the interest rate risk and liquidity risk of GSEC. Hence, they cannot manage their investment risk efficiently. It is also operationally challenging for a single investor to maintain the relationships with all the GSEC dealers to get the best liquidity from the market.

It is also not surprising that most retail and corporate investors lack enough knowledge about fixed income investment opportunities. Due to the deficiency of knowledge and smooth access to the Fixed Income Securities (FIS) market, they often invest their entire investable fund in highly volatile equity market. While the equity market can enhance returns for investors, only a small fraction of the investors is able to manage such high risks efficiently. As a result, a large number of investors experience loss in stock market which ultimately push them away from making investment altogether.

There are a large number of savers in Bangladesh who have long term investment needs, at the same time, they want stable returns with low risks from their investment. To cater this large group of investors, Sandhani Asset Management Limited (Sandhani AML) and Sandhani Life Insurance Company Limited (SLIC) jointly put their efforts to untapped the return opportunities laying around in fixed income asset class. We believe, such initiative will satisfy the investors' growing demand of exposure in fixed income asset class and help them to diversify their overall portfolio.

On this backdrop, Sandhani AML is thrilled to introduce "Sandhani AML SLIC Fixed Income Fund" – a specially designed fixed income fund with initial target fund size of BDT 500 million. The purpose of this fund is to provide the investors superior growth by investing in a range of fixed income securities; predominantly in government securities

while ensuring lower volatility by actively managing the portfolio. Sandhani Life Insurance Company Ltd. (SLIC) will be the Sponsor of fund contributing 20% (BDT 100 million) of the initial target fund size while Bangladesh General Insurance Company Limited and BRAC Bank Limited will assume the role of the Trustee and the role of the Custodian respectively.

Since the management of Sandhani AML is composed of dynamic individuals having ~31 years of combined experience in various local and international organizations as well as possess relevant knowledge in investment profession management, they are capable enough to manage the Fund efficiently. Under the energetic leadership of seasoned board members as well as professional top management, the team is absolutely committed to work for the best interest of the unitholders.

2.2 Rationale for Investing in Sandhani AML SLIC Fixed Income Fund

- I. **Regular and Secured Cash Flow:** Fixed-income investments typically produce more regular cash flows to a portfolio compared to stocks; whose cash dividend yield is usually lower. Regular cash flows from coupons allow the Fund to stabilize its NAV which will generate consistent return to the Fund. As the income of the Fund is expected to be less volatile, investors—both individual and institutional—will be able to plan how to meet known future obligations such as tuition payments, housing payments, car installments, life insurance premium payments.
- II. **Greater Flexibility Compare to Fixed Deposit Scheme:** Fixed deposit schemes may not be suitable for all groups of investors, especially growing middle class people who do not have a sizable amount of capital yet. In addition, there is shortage of longer maturity fixed income deposit schemes since the typical maturity buckets of banks' liabilities are focusing on short terms. By investing in mutual funds that focus on GSEC, investors can earn higher return compared to short term fixed deposits by earning a maturity premium. Also, in case an investor needs to liquidate the fixed deposit, the penalties are high for depositors. On the other hand, by investing in GSEC through unit fund, there is no such penalty as the interests are accrued daily and investors can realize that accrued interest when they redeem their units.
- III. **Higher Return Compared to DPS:** Fixed income earners in Bangladesh mostly invest in DPS so that they can convert their small savings into capital. Though the interest rates of DPS are usually high compared to other deposit products, investors can earn even higher return by investing in mutual funds that

primarily focusing in GSEC. Yield to maturity of GSECs in the maturity segments of 5 to 10 year buckets are usually higher than that of DPS. Hence, investors will be able to earn higher returns compared to DPS. Moreover, DPS also has liquidity issues, since investors cannot liquidate DPS without incurring sizable costs.

- IV. **Liquidity:** Another benefit of investing in fixed income mutual fund is liquidity. The liquidity costs are very high when investors need to liquidate their money before the maturity ends from fixed deposit, sanchaypatra, DPS etc. Investors can redeem their mutual fund units any time at NAV. So, they will be able to earn the accrued interest any time when redeeming the units without any penalty.
- V. **Diversification Benefits:** Diversification is the key in managing investments. By diversifying among asset classes (stocks and bonds), investors can aim to achieve optimum asset allocation and minimize their risks. Without having a fixed income fund, it is difficult for the investors to achieve optimum asset allocation.
- VI. **Tax Advantage:** Unitholders can realize higher return by paying lesser and/or no amount of taxes on capital gain compared to dividend income.

2.3 Tax Benefits of Investing in Sandhani AML SLIC Fixed Income Fund

Investors Types	Tax Structure on Total Return from Mutual Fund		Tax Structure on Total Return from Capital Market	
	Dividend	Capital Gain	Dividend	Capital Gain
Individual	First BDT 25,000 is tax exempted After that, 10% with TIN and 15% without TIN	Tax Exempted	First BDT 50,000 is tax exempted After that, 10% with TIN and 15% without TIN	Tax Exempted
Company	First BDT 25,000 is tax exempted After that, flat 20%	10%	20%	10%

Source: NBR and Sandhani AML

The investment tax benefits of the Fund would always comply with country's Finance Act and government tax policies. However, the following table exhibits the prevailing tax structure on dividend income and capital gain for different types of investors

The Country's current tax differential for dividend income and capital gain is the primary reason to call for no dividend policy of the Fund. Unitholders can simply register higher return by realizing capital gain at any time as per their need instead of receiving dividend income at any specific time schedule. Since the proposed fund is an open ended mutual fund, liquidity i.e., buy-sell at any time, is its inherent feature.

There are several types of investors with different sort of investment objectives. Some are in need of regular cash flow whereas some are in more focused on long term growth. Mandatory dividend payment from the Fund will hurt those investors who put more emphasis on long term growth. On the other hand, investors with the need of regular cash flow can redeem his/her units and create homemade dividend at any time he or she wants.

Since 'Sandhani AML SLIC Fixed Income Fund' will not pay any dividend, total return of this fund are likely to be higher, ceteris paribus, than that of a similar dividend paying fund because of the current tax structure. This reasoning can be illustrated by the following example –

Fund / Investors Type	Initial Investment (BDT)	Pre-Dividend NAV (BDT)	Dividend (BDT)	Post-Dividend NAV (BDT)	Dividend Yield (After Tax)	Capital Gain (After Tax)	Total Return (After Tax)
Fund A (Dividend Paying)							
Individual	10.00	12.00	1.00	11.00	9.0%	10.0%	19.0%
Company	10.00	12.00	1.00	11.00	8.0%	9.0%	17.0%
Fund B (No Dividend)							
Individual	10.00	12.00	-	12.00	0.0%	20.0%	20.0%
Company	10.00	12.00	-	12.00	0.0%	18.0%	18.0%

Source: Sandhani AML

In addition to the benefits from the tax differentials, paying dividend can also impose incremental cost to the fund in terms of maintaining separate bank account, dividend distribution expense etc.

CHAPTER 3: THE FUND

3.1 Formation of the Fund

The trust deed of the Fund was registered on 22nd March 2022 under the Trust Act, 1882 and Registration Act, 1908. The Fund was registered by the BSEC on 10th April 2022 under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.

3.2 Tenure & Size of the Fund

The Fund will be an open ended mutual fund with a perpetual life. Institutional, local & foreign individual, resident & nonresident investors are eligible to invest in this Fund. The initial target size of the Fund will be BDT 500,000,000 (BDT Five Hundred million) only divided into 50,000,000 (Fifty million) Units of BDT 10/- (BDT 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

The face value of each unit of the Fund will be BDT 10/- (BDT Ten). 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 500 (Five Hundred) units for individuals and 5,000 (Five Thousand) units for institutions.

3.4 Investment Objective

To generate return annually through investments in a range of fixed income securities; predominantly in government securities as well as investment grade corporate bonds and money market instruments while maintaining the optimum balance of yield, safety and liquidity.

3.5 Investment Policy

- I. The Fund shall invest, subject to the provisions of the বিধিমালা, only in
 - (a) securities listed with a stock exchange;
 - (b) money market instruments including government securities;
 - (c) privately placed bonds, debentures and pre-IPO capital of entities with explicit plan to be listed with a stock exchange within two years from the date of the investments;
 - (d) securitized debt instruments, which are either asset backed or mortgage backed securities;
 - (e) open-end mutual funds approved by the Commission;
 - (f) and any other instruments approved by the BSEC from time to time.

- II. Not more than 70% of total assets of the Fund shall be invested in capital market instruments. Of this, at least 50% shall be invested in listed securities that are actively trading in stock exchanges. Investments in Government Securities shall not be considered as an exposure to capital market instruments.
- III. Not less than 30% (thirty percent) of the total asset of the Fund shall be invested in fixed income securities including Government Securities.
- IV. Non-listed securities that enjoy “investment grade” credit rating by a recognized credit rating agency are eligible for investments by a mutual fund. The fund can invest in unlisted corporate securities only after a prior approval of the Commission.
- V. All money collected under the Fund, except cash and deposits held for liquidity purpose, shall be invested only in encashable and/or transferable instruments or securities whether in money market or capital market or privately placed pre-IPO equity, preference shares, corporate bonds, debentures, securitized debts or any other investable instrument.
- 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.

3.6 Investment Restriction

- I. The mutual fund shall not, under any circumstance, trade in units of mutual funds, schemes of mutual funds, under the control of the same Asset Management Company.
- II. Not more than 10% (Ten Percent) of the total assets of the Fund shall be invested in non-listed securities at any particular date. In case of investment in non-listed corporate bonds or pre IPO capital, the asset manager shall obtain prior approval of the Commission.
- III. The Fund shall not invest more than 10% (Ten Percent) of paid-up capital (or other securities such as bond or debenture) issued by any company.
- IV. The Fund shall not invest more than 10% (Ten Percent) of its total assets in shares, debentures or other securities of a single company or a group of companies under the control of a parent company. This condition shall not be applicable in case of investments in the Government Securities.
- V. 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.

- VI. 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 বিধিমালা।
- VII. 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 Bangladesh Bank and shall in no case put itself in a position whereby it has to make short sale or carry forward transaction.
- VIII. The Fund shall not involve in option trading or short selling or carry forward transaction.
- IX. The Fund shall not buy its own unit.

3.7 Valuation Policy

- I. Investments in financial assets shall be reported at fair value, not at acquisition costs, in the statement of financial position of mutual fund.
- II. At initial recognition, the Fund shall measure a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Likewise, an AMC shall recognize a sale of a financial asset at net realized value, that is, the selling price net of transaction costs.
- III. The Asset Management Company shall recognize a financial asset or a financial liability in its statement of financial position when, and only when, the company becomes a party to the contractual provisions of the financial instrument. At initial recognition, the AMC shall measure a financial asset or a financial liability at its fair value plus (or minus) transaction costs that are directly attributable to the acquisition (or issue) of the financial asset or financial liability.
- IV. After initial recognition of a financial asset, the Asset Management Company shall classify, subject to the approval of the Commission, the financial asset as subsequently measured at fair value through profit or loss, fair value through other comprehensive income, or amortized cost on the basis of both:
 - (a) the company's business model for managing financial assets and
 - (b) the contractual cash flow characteristics of the financial assets
- V. The AMC shall have the option, at initial recognition, to irrevocably designate a financial asset and a financial liability to be measured at fair value through profit or loss.
- VI. After initial recognition, that is, at subsequent balance sheet dates, the AMC shall measure a financial asset at fair value through profit or loss, fair value through other comprehensive income or amortized costs and in compliance with provisions of IFRSs.

- VII. After initial recognition of a financial liability, the AMC shall classify and measure, subject to the approval of the Commission, all financial liabilities at fair value through profit or loss, or amortized costs and comply with provisions of IFRSs. The AMC shall have the option, at initial recognition, to irrevocably designate a financial liability to be measured at fair value through profit or loss.
- VIII. A gain or loss on a financial asset or financial liability that is measured at fair value shall be recognized in profit or loss unless:
- (a) it is an investment in an equity instrument and the AMC has elected present to present gains and losses on that investment in other comprehensive income.
 - (b) it is a financial asset measured at fair value through other comprehensive income;
 - (c) it is a financial liability designated as at fair value through profit or loss but the entity is required to present the effects of changes in the liability's credit risk in other comprehensive income. In that case, the remainder amount of change in the fair value shall be presented in profit or loss.
- IX. At initial recognition, the AMC may elect to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument which is not held for trading. The AMC shall however recognize in profit or loss any dividends from investments in equity instruments that are not held for trading.
- X. A gain or loss on a financial asset measured at fair value through other comprehensive income shall be recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses.
- XI. The accrued interest on the Fixed Income Securities shall be considered for calculation of Net Asset Value (NAV).
- XII. In case of deferred expenses, accrued expenses for the period will be taken into account for determining total liabilities of the Fund.
- XIII. For listed securities, the quoted closing price on Dhaka Stock Exchange (DSE) on the date of valuation shall form the basis of calculation of Net Asset Value (NAV) of the Fund.
- XIV. In case a security is not traded with Dhaka Stock Exchange, the quoted closing price of the security on Chittagong Stock Exchange (CSE) on the date of valuation shall be considered for calculation of NAV of the Fund.
- XV. In case a security is not traded for 30 (Thirty) days in the DSE, the closing price of the security at DSE or CSE, whichever happens later, shall be considered for calculation of NAV of the Fund.
- XVI. The valuation of listed securities not traded in DSE or CSE within the last 30 (Thirty) days 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.
- XVII. 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 the Fund.
- XVIII. The Fund shall comply with accounting recognition and measurement principles and disclosure rules of International Financial Reporting Standards (IFRSs) for the valuation of investments in securities and other financial instruments and be subject to the prior approval of the Commission.
- XIX. The valuation of non-listed securities shall be made by the Asset Management Company in compliance with IFRSs and approved by the Trustee. The Asset Management Company and The Trustee shall periodically review the non-listed investments. The auditors shall comment on the non-listed investments in the annual report of the scheme of the Fund.
- XX. Adequate disclosure shall be made on the valuation of investment in securities and other financial instruments in both the interim and annual financial statements. Trustee shall not approve any financial statements without adequate disclosure of accounting policies as to the fair valuation of investments in securities.
- XXI. Independent external auditor shall give opinion as to the fair value of investments in securities and/or financial instruments of the Fund. The external auditor shall specifically comment on assumptions and inputs used for the valuation of investments in unlisted securities of the Fund.
- XXII. 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.
- XXIII. The Asset Management Company and the Trustee will value the non-listed securities at least once in every three months.
- XXIV. The AMC should provide a quarterly valuation report for the non-listed investments to the trustee.

3.8 Accounting and Reporting for Provision for Diminution (or Appreciation) in Fair Value of Investments in Financial Assets

- I. After the initial recognition of a financial asset, the Asset Management Company shall make provision for diminution in the fair value of investments in securities of a mutual fund whenever the fair value of a security is less than its acquisition

cost. At subsequent balance sheet dates, if the fair value of the financial asset further decreases, a new provision to that extent shall accrue with respect to that particular financial asset. On the other hand, if the fair value rises since the previous balance sheet date but remains below the acquisition costs of the financial asset, a reversal of past provision to the extent of the rise shall be made and added to the earnings for the period of the Fund.

- II. Investments in financial assets shall be reported at fair value, not at acquisition costs, in the statement of financial position of a mutual fund.
- III. If the fair value of investments in a security exceeds the acquisition cost, the excess of the fair value over the acquisition cost shall be recognized as 'other comprehensive income,' not to be offset against aggregate provision for diminution in the fair value of investments in other securities.
- IV. Other comprehensive income shall be reported as a part of the unit holders' equity of the Mutual Fund.
- V. Any financial asset, which is not actively trading in any organized stock exchange, shall be classified as a "Non-performing financial asset" if the issuer of the security fails to pay a return, either a dividend or an interest income, to the Asset Management Company in consecutive two financial years.
- VI. The fair value of a non-performing financial asset shall be done following International Financial Reporting Standards (IFRSs), supplemented by a full disclosure of inputs and methods of the valuation, and be subject to the approval of the Trustee of the Fund.
- VII. The external auditor shall comment on the fair valuation of investments in financial assets which are either unlisted or not actively trading in a stock exchange and on the quality of accompanying disclosure on investments in financial assets.

3.9 Net Asset Value (NAV) Calculation

- I. An Asset Management Company shall calculate Net Asset Value (NAV) per unit of a mutual fund at fair value on a weekly basis and be disclosed in the manner specified by the Commission.
- II. The Net Asset Value of a Fund shall be equal to the fair value of identifiable assets minus the fair value of liabilities of the Fund. Net asset Value per unit shall be calculated by dividing the Net Asset Value by units outstanding of the Fund at the measurement date.
- III. An asset is identifiable if it either:
 - (a) is separable, i.e. capable of being separated or divided from the entity, or sold, transferred, licensed, rented, or exchanged, either individually or together with a related

- contract, identifiable asset or liability, regardless of whether the entity intends to do so; or
- (b) arises from contractual or other rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.
- IV. Identifiable assets may include intangibles including monetary assets without physical substance but shall exclude fictitious assets such as unamortized issue costs, preliminary costs, and/or advances, deposits and prepayments which embody no future economic benefits and cash flows to the company.
- V. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement shall be done for a particular asset or liability. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or in the absence of the principal market, in the most advantageous market for the asset or liability.
- VI. In order to do fair valuation of assets and liabilities of a Fund, the Asset Management Company shall strictly comply with accounting recognition and measurement principles and disclosure provisions of International Financial Reporting Standards (IFRSs) particularly including that of IFRS 13 (Fair Value Measurement).

3.10 Measurement of Earnings and Payment of Dividends

- I. The accounting year of the Fund shall be January 01 to December 31;
- II. The Sandhani AML SLIC Fixed Income Fund aims to achieve long-term capital appreciation and **shall not provide any dividend**. The unitholders can realize their returns through redemption of the units during the business hour as specified by the Asset Management Company.
- III. Net income for a financial period of a mutual fund shall be measured following IFRSs and after incorporating all valid income, eligible expenses as well as provision for diminution in the fair value of investments in securities and other financial assets.
- IV. Trustee shall examine every item of expenses of a mutual fund and determine their eligibility to be a valid charge against income of the Fund.
- V. Adequate disclosure shall be made with respect to provision (or reversal of provision) for diminution (or appreciation) in fair value of investments in securities. The excess of fair value over cost of investments in securities, if true in aggregate, shall be

reported as an “other comprehensive income” in the Statement of Profit or Loss or Other Comprehensive Income and not be a part of earnings for the period.

- VI. Other Comprehensive Income shall be reported as a separate line item under the unit holders’ equity and not be aggregated with any other reserve(s).
- VII. The Fund shall make a full disclosure of the provision for diminution in fair value of investments in the statement of changes in unit holders’ equity specifically showing changes in the provision account during the period.

3.11 Limitation of Expenses

- I. All expenses should be clearly identified and appropriated to the Fund.
- II. The Asset Management Company may charge Fund for investment management.
- III. The initial issue cost of the Fund, or any scheme of the Fund, shall not exceed 3% (Three Percent) of capital actually raised under the Fund or the scheme of the Fund. The Asset Management Company shall furnish to the Commission a detailed breakdown of the initial issue cost in the prospectus/offer document of the Fund.
- IV. The Asset Management Company shall amortize the initial issue costs of the Fund within a maximum period of five (05) years. In case of availability of profits, an Asset Management Company can amortize the issue expense over a period which is smaller than five years.
- V. Total operating expense, excluding amortization of initial issue costs and provision for diminution in the fair value of investments, of a mutual fund, a scheme of a fund, shall not exceed 4% (Four Percent) of net asset value (NAV) at fair value of the Fund.
- VI. The Trustee shall be paid an annual Trusteeship fee @0.10% of the Net Asset value (NAV) at Fair Value of the Fund on a semi-annual basis, during the life of the Fund.
- VII. The fees for Custodian services shall not exceed 0.10% per annum of the fair value of securities (both listed and non-listed) held by the Fund, to be calculated and paid on a semi-annual basis.
- VIII. In addition to the fees mentioned hereinabove the Asset Management Company may charge the Scheme of the Fund with the following recurring expenses, namely:
 - (a) Bank charges
 - (b) Annual fees payable to the Commission as per the Rule (11)
 - (c) CDBL Fees
 - (d) Listing fees
 - (e) Audit Fees

- (f) Costs for publication of reports and periodicals specifically related to the Fund
 - (g) Valid expense for organizing a unit holders' meeting in compliance with the Mutual Fund Rules—2001
 - (h) Distribution and publicity costs
- IX. Legal expenses of an Asset Management Company shall not be a charge against income of the Fund.
- X. Transaction costs (including brokerage commission) shall not be charged as an expense in the statement of profit or loss and other comprehensive income.
- XI. The expenses referred to hereinabove and any other fees payable or reimbursable to the Asset Management Company or the Trustee shall be charged to the Open-End Mutual Fund.

3.12 Price Fixation Policy

After completion of initial subscription, the Fund will be made open 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 sale and repurchase/surrender price of Units will be determined by the Asset Management Company based on the NAV at fair value. The surrender price is subject to exit load as described in the following manners:

- I. The difference between selling price and repurchase price per unit shall not exceed 1% (One percent) of the NAV per unit at fair value of the Fund, provided that redemption did not take place within 1 (One) year of purchase of unit or redemption amount did not exceed 50% of the outstanding unit holding.
- II. In case of redemption before 1-year of holding maximum additional 1% load can be imposed.
- III. In case of redemption of more than 50% of outstanding unit holding further additional 1% load can be imposed. However, investor holding investment of less than BDT 5 lac shall not be subject to additional 1% exit load in case of redemption.

3.13 Sale and repurchase procedure

- I. The Units of Sandhani AML SLIC Fixed Income Fund, hereinafter referred to as the Fund, may be bought from Sandhani AML and authorized selling agents appointed by Sandhani AML from time to time. Surrender of units is allowed only through Sandhani AML and/or the selling agent from which the units were originally purchased.
- II. For individual investors, minimum purchase unit is 500 (Five Hundred) and for institutional investors, minimum purchase unit is 5,000 (Five Thousand).

- III. The application for purchase of Units should be accompanied by an account payee cheque/pay order/bank draft/electronic fund transfer/deposit receipt/MFS in favor of Sandhani AML SLIC Fixed Income Fund for the total value of Units.
- IV. After clearance/encashment of cheque/bank draft/pay order/receipt of the fund, the applicant will be issued with a Confirmation of Unit Allocation against every purchase of Units he/she/the institutional investor applies for; the units will also be delivered to the Unit holder's respective BO A/C.
- V. After submitting surrender application for unit redemption, the said units need to be transferred from the Unit holder's BO account to Sandhani AML SLIC Fixed Income Fund's designated BO account. After receiving the DP40 report, confirming the completion of unit transfer, the client will be paid within 3 (Three) working days through account payee cheque or EFT as per client's request.
- VI. Partial surrender (fraction of total units held under a Unit Allocation Confirmation) is allowed without any additional cost subject to minimum surrender quantity is 500 (five hundred) units both of individuals and institutions. Upon partial surrender, the unit holder will be issued with a new unit allocation confirmation representing the balance of his unit holding.
- VII. The redemption (or repurchase) of units of a Fund, or a Scheme of the Fund, shall be made on first-come-first-serve basis. In the event the redemption request on a particular day exceeds 5% of the total units outstanding of the Fund, the Asset Management Company may defer the redemption request over 5% for a period of maximum 3 (three) working days. Provided that redemption in excess of 5% of total units outstanding shall also be done at repurchase price of the day when redemption requests were actually submitted to the asset manager.
- VIII. All payments/ receipts in the connection with or arising out of transactions in the units hereby applied for shall be in Bangladeshi Taka.

3.14 Winding up Policy

I. Procedure of Winding Up

- (a) If the total number of outstanding unit certificates held by the unitholders 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.
- (b) 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.

- (c) The Scheme may also be wound up if the Commission so directs in the interest of the unitholders.
- (d) 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.

II. Manner of Winding Up

- (a) The Trustee shall call a meeting within 30 (Thirty) days from the notice date of the unitholders of a Scheme to consider and pass necessary resolutions by three-fourth majority of the unitholders 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.
- (b) The Trustee shall dispose off the assets of the Scheme of the Fund in the best interest of the unitholders; Provided that the proceeds of sale made in pursuance of the Rules, 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 unitholders in proportion to their respective interest in the assets of the Scheme as on the date when the decision for winding up was taken.
- (c) Within 30 (Thirty) days from the completion of the winding up, the Trustee shall forward to the Commission and the unitholders 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 unitholders and a certificate from the auditors of the Scheme of the Fund.

III. Effects of Winding Up

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

- (a) cease to carry on any business activities of the Open-End Fund;

- (b) cease to create and cancel unit of the Open-End Fund;
- (c) cease to issue and redeem units of the Open-End Fund.

3.15 Investment Management

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

I. Investment Management Process

Sandhani AML has formed an Investment Committee (IC) comprising of the Chief Investment Officer, Chief Risk and Compliance Officer and Chief Executive Officer for reviewing and approving investment decisions for the Fund in a well-rounded way. Research Analysts will present their independent investment research findings in the IC meeting from time to time. Investment decisions will be made by combining top-down asset allocation strategy with bottom-up security selection strategy as described below-

- (a) Top-down analysis to optimize exposures to asset-classes and economic factors
 - Finding the best asset-classes to invest at prevailing macroeconomic and sociopolitical context
 - Focusing mostly on key macro drivers like growth outlook, trend of financial sector liquidity and interest rates and fiscal and monetary policy changes
- (b) Bottom-up focus to find most attractive securities in each asset class
 - Identifying securities mispricing of new information or emerging developments by maintaining the information processing edge.
 - Avoiding valuation trap, maintaining buy-sell discipline in line with target fair value estimates
 - Maintaining psychological, philosophical and knowledge edge to post reasonable performance throughout market cycle.

II. Asset allocation process:

The IC will thoroughly assess macro-economic and socio-political condition of the country to form risk-return expectations objectively for different asset classes in the context of prevailing market valuation level. Relative risk-return attractiveness of different asset classes as suggested by the research findings will drive asset allocation decisions for the Fund.

III. Security selection and portfolio construction process

The IC will review the outcome of the fundamental analysis and will construct a model portfolio by combining securities that offer highest risk-adjusted-return. The IC will also ensure adequate portfolio diversification (to different credit quality, sectors, duration, structure and issuers) is achieved at this stage.

IV. Investment decision execution

Based on the contemporary market condition and liquidity situation, IC will determine the investment execution strategy to mitigate transaction costs and optimize portfolio performance.

V. Portfolio monitoring & risk management

IC will monitor business and repayment performance of the portfolio companies/ issuers on continuous basis and will rebalance portfolio as and when needed to achieve investment objectives. IC will determine appropriate risk management strategy for individual securities and at the portfolio level, too.

CHAPTER 4: INVESTMENT APPROACH AND RISK CONTROL

A top down and bottom-up approach may adopt the following investment approaches and risk control measures:

- I. Investments will be pursued in selected sectors based on the analysis of business cycles, regulatory landscape, competitive advantage, prevalence of default etc.
- II. The Asset Management Company in selecting Government Securities will focus on the maturity of the Government Securities, the Yield and the Monetary and Fiscal policies of Bangladesh and its changes actual or impending in making such decisions.
- III. Selective securities will be picked from the selected sectors by focusing on the fundamentals of the business, the industry structure, the quality of management, sensitivity to economic factors, the financial strength of the company, key earnings drivers, credit rating, repayment track record, and structure and seniority of debt instrument under consideration.
- IV. The Asset Management Company will study the macro-economic conditions, including the political, economic environment and factors affecting liquidity and interest rates and corporate spread.
- V. Since disciplined investing requires risk management, the Asset Management Company will incorporate adequate safeguards for controlling risks in the portfolio construction process.
- VI. Market risk will be managed through maintaining a dynamic balance between securities and cash.
- VII. Idiosyncratic risk will be reduced through adequate diversification of the portfolio. Diversification will be achieved by spreading the investments over different maturity of the Government Securities and the capital market instruments listed in DSE.
- VIII. Liquidity risk will be managed by investing across the yield curve.
- IX. Credit risk will be managed through regular credit evaluation, monitoring and observation of rating migration during the tenure of investment.

CHAPTER 5: FORMATION, MANAGEMENT & ADMINISTRATION

5.1 Sponsor of the Fund

Sandhani Life Insurance Company Limited shall be the Sponsor of the Fund. It is a listed public limited company, established in the year 1990, having registered office at Sandhani Life Tower, Rajuk Plot No-34, Bangla Motor, Dhaka 1000. SLIC is a leading Life Insurance company in Bangladesh, engaged in various types of life insurance products and having required capabilities and adequate skills in its concerned field of activities and offices and network of branches all over Bangladesh.

5.2 Trustee of the Fund

Bangladesh General Insurance Company Limited will act as the Trustee of the Fund. BGIC, incorporated on 29 July 1985, is the first general insurance company in Bangladesh in the private sector. The company offers a full range of general insurance services for fire, marine, motor and miscellaneous risks with 38 branches across the country. BGIC has a proven record of being 'Trustee' for existing mutual fund and corporate bonds. Its dynamic team of dedicated professionals with superior underwriting and trustee skill can boost growth of the company.

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. The bank has been acting as Custodian to a number of other mutual funds quite successfully since 2010.

5.4 Asset Manager of the Fund

Sandhani Asset Management Limited is a subsidiary company of Sandhani Life Insurance Company Limited, a company listed with both Dhaka Stock Exchange and Chittagong Stock Exchange. As part of its commitment towards the development of capital market, SLIC has taken the initiative to expand its operation in the segment of mutual fund management through its subsidiary, Sandhani AML. The company is duly registered with Registrar of Joint Stock Companies and Firms on 11 March 2021 and obtained necessary approval from Insurance Development and Regulatory Authority of Bangladesh (IDRA) with the aim of setting higher standards in the investment management arena.

The Management Team of Sandhani AML is composed of dynamic individuals having ~31 years of combined experience as well as relevant knowledge in investment profession. The team has solid work experience in various local and international organizations which is somewhat essential to identify different viewpoints of any investment opportunity.

Brief Profile of the Team

Mr. Shaheduzzaman Choudhury FCA

Chairman

Mr. Shaheduzzaman Choudhury is the Chairman of the board of Sandhani Asset Management Limited and representing Sandhani Life Insurance Company Limited. He has been involved in the financial management industry for more than 26 years. He is a partner director of Innovative Minds Consulting Ltd, a management-consulting firm of expert professionals that focuses on business innovations.

During his diversified career, Mr. Choudhury gained experience in retail technology solutions, international donor organization, IT solution provider, leather-processing, knit fabrics and ready-made garments industry. He served Checkpoint Systems Inc. as Finance Controller where he oversaw finance unit of all Checkpoint units in South Asia region, including Bangladesh, India and Sri Lanka and Vietnam. Apart from that, he worked as Financial Controller of Avery Dennison and Financial Analyst of United States Agency for International Development (USAID) Bangladesh. Mr. Choudhury started his career as Finance Executive of Northern Corporation. Later he served Bay Tanneries as Chief Accountant, and Accounts & Finance Manager of Proshika Computer Systems.

Mr. Choudhury is a Chartered Accountant by profession. He completed his Executive MBA from Institute of Business Administration, University of Dhaka. Prior to that, he completed Masters in Finance, Department of Finance & Banking, University of Dhaka.

Mir Ariful Islam

Managing Director & CEO

Mr. Mir Ariful Islam joined Sandhani AML to establish and oversee the asset management company business. He is responsible for the overall management, operation and development of the company. He has almost 15 years of experience in the domain of equity research, investment management and servicing foreign, institutional and individual investors. Before joining in Sandhani AML, he was the Head of Research and Fund Management of Prime Finance Asset Management Company Limited (PAMC). Before PAMC, he worked for LankaBangla Securities Limited on 'Research and Analysis' & 'Foreign and Institutional Trade' Department.

He has also attended numerous training and seminar related to capital market and financial sector in Bangladesh. He was also trainer in many recognized events and training programs arranged by Monash University Australia, Chittagong Stock Exchange, ASA University, United University, CAPM Asset Management Company, LankaBangla Securities Limited etc. Mr. Islam is an associate member of Institute of Chartered Secretary of Bangladesh since 2018.

Md. Tanvir Islam

Chief Investment Officer & Senior Compliance Officer

Md. Tanvir Islam is the Chief Investment Officer (CIO) and Senior Compliance Officer of Sandhani AML. He is responsible for the overall investment decision-making process of the company. Mr. Tanvir has been working as a research analyst for last 9 years. During this period, he worked in several financial institutions in Bangladesh including two-side research role covering various sectors like pharmaceuticals, fuel & power, consumer electronics, engineering, automobile, construction material and tannery which consisted around 40% of the total market capitalization of the Dhaka Stock Exchange (DSE). Prior to joining Sandhani AML, he worked at International Finance Corporation (IFC), a member of World Bank Group, as an Associate Investment Officer in Manufacturing, Agribusiness & Services (MAS) Unit.

Hossain M. Fozle Elahi

Manager

Hossain M. Fozle Elahi is an Investment Manager of Sandhani AML. Prior to joining to the company, Hossain worked as an Investment Analyst at Maslin Capital where he was responsible for conducting macro, industry, market, and company research. Additionally, he was involved in assessments of both new and follow-on investment opportunities. Hossain was also responsible for fulfilling the requirement of rules and regulations of the company and Bangladesh Securities and Exchange Commission. Hossain started his career at a startup and was responsible for the accounts section. Later he gained experience in General Banking Division of a local reputed Bank for a short period. During his career, Hossain received trainings on Investment Banking, Banking, and Portfolio Management Strategies. He is proficient in different statistical software like R, Eviews, Stata. Mr. Elahi speaks three languages: Bengali, English, and Swedish.

5.5 Auditor of the Fund

S. F. Ahmed & Co., Chartered Accountants having office at House 51 (3rd floor), Road 9, Block F, Banani, Dhaka-1213, Bangladesh, shall be the first auditor of the Fund and the auditor shall be paid a service fee of BDT 30,000/- (BDT Thirty Thousand Only), plus VAT.

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:

I. Issue and Formation Expenses

Initial issue and formation expenses are estimated not to be over 3 (three) percent of the collected amount of BDT 50,00,00,000/- (BDT Fifty Crore) only. The issue and formation expenses will be amortized within 5 (five) years on a straight-line method. The estimated expenses for the issue and formation of the Fund are presented below:

Estimated Issue and Formation Expenses					
SL No.	Type of Expenses	Total Tk.	Sub Total/ Details	% of total target fund	Description
1	Formation Fee Payable to the AMC	5,000,000	Set-fee	1.00%	Formation fee to AMC on collected fund of approved fund size

2	Legal & Compliance related Expenses (Application, Registration fees etc.)	1,415,300	100,000	0.28%	Application Fee to the BSEC
			1,000,000		BSEC Registration Fee (0.2% of the Initial Fund Size)
			15,000		Trust Deed Registration Expense-Govt. Fees
			100,000		Trust Deed Registration Expense-Professional Fees
			75,000		CDBL Fee (Distribution of 5 Crore Units x BDT 10 x 0.00015)
			2,500		CDBL Documentation Fee
			40,000		CDBL Annual Fee
			6,000		Depository Connection Fee for 12 months
			75,000		Procurement of CDBL vEDAS PC
			1,800		BO Account Maintenance Fee to Custodian (BRAC Bank)
3	Printing, Publication & Marketing	1,750,000	400,000	0.35%	Publication of Abridged Version of Prospectus and Notification of Subscription
			500,000		Printing of Prospectus and Application Forms
			500,000		Printing of Forms, flyers, Scheme brochures and Other Marketing Documents
			50,000		Courier & Distribution Expenses
			300,000		Online Marketing
4	Other / Miscellaneous expenses	180,000	150,000	0.04%	Payment of VAT & TDS to Govt. Treasury
			30,000		Internet Connection for CDBL PC
	Total Expenses	8,345,300		1.67%	

** The above costs, made in best estimates, which may vary at actual. The trustee shall approve the formation expenditure and will inform BSEC within 15 days of such formation meeting.*

II. 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 @1.00 (one) percent per annum of the weekly average NAV, accrued and payable quarterly.

III. Trustee Fee

The Trustee shall be paid an annual Trusteeship fee @0.10% of the Net Asset value (NAV) at Fair Value of the Fund on a semi-annual basis, during the life of the Fund.

IV. Custodian Fee

The fees for Custodian services shall not exceed 0.10% per annum of the fair value of securities (both listed and non-listed) held by the Fund, to be calculated and paid on a semi-annual basis.

The Custodian shall have physical possession of the stock and securities of the Fund and be responsible for safekeeping of the securities. The Fund shall pay to the Custodian safe keeping fee in following fees structure:

Asset held with the Custodian	Percentage on average asset size	Proposed Maximum Fee
For the first TK 500,000,000/-	0.05%	TK 250,000/-
For the next TK 250,000,000/-	0.04%	TK 100,000/-
For the next TK 250,000,000/-	0.03%	TK 75,000/-
Rest Amount	-	TK 50,000/-

The fee for Custodian services will be realized semi-annually at the end of the period.

V. Fund Registration and Annual Fee

The Fund has paid BDT 1,000,000/- (BDT Ten Lac) only to the Bangladesh Securities and Exchange Commission as registration fee. In addition, the Fund will have to pay @ 0.10% of the Fund value or BDT 100,000/- (BDT One Lac), whichever is higher, as annual fee in terms of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.

VI. Commission Payable to Selling Agent(s)

The Fund shall pay commission to the authorized selling agent(s) to be appointed by the Asset Manager at the rate of 0.50% - 1.00% on the total sale amount of unit sales, accruable on collection basis and payable at the end of the month / quarter. The Selling Agent Commission will be applicable for sales of unit; not on surrender of units. If individuals are appointed as selling agents by the Asset Manager, the commission payable to them will vary and fixed as per সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১. The selling agent commission may change in future with prior approval from the Trustee.

VII. Audit Fee

The audit fee will be BDT 30,000/- (BDT Thirty Thousand only), plus applicable VAT for the first accounting year and the trustee will fix the audit fees for the subsequent years.

VIII. Annual CDBL Fee

The fixed annual CDBL fee will be BDT 40,000/- (BDT Forty Thousand Only), plus applicable VAT (if any). Annual CDS connection fee will be BDT 6,000/- (BDT Six Thousand Only), plus applicable VAT (if any). These fees may be amended from time to time by the Commission in the future.

IX. Amortization of Issue and Formation Expenses

The initial issue cost of the Fund, or any scheme of the Fund, shall not exceed 3% (Three Percent) of capital actually raised under the Fund or the scheme of the Fund. The Asset Management Company shall furnish to the Commission a detailed breakdown of the initial issue cost in the prospectus/offer document of the Fund. The Asset Management Company shall amortize the initial issue costs of the Fund within a maximum period of five (05) years. In case of availability of profits, an Asset Management Company can amortize the issue expense over a period which is smaller than five years.

X. Operational Expenses

Total operating expense, excluding amortization of initial issue costs and provision for diminution in the fair value of investments, of a mutual fund, a scheme of a fund, shall not exceed 4% (Four Percent) of net asset value (NAV) at fair value of the Fund.

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

6.1 Size of the Issue

The initial size of the Fund shall be BDT 500,000,000/- (BDT Five Hundred million) only divided into 50,000,000 (Fifty million) Units of BDT 10/- (BDT 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:

Subscribers	No. of Units	Face Value (BDT)	Amount (BDT)	Status
Sponsor: Sandhani Life Insurance Company Ltd.	10,000,000	10	100,000,000	Subscribed
General Investors	40,000,000	10	400,000,000	Yet to be Subscribed
Total	50,000,000	10	500,000,000	

6.2 Sponsor's Subscription

Sandhani Life Insurance Company Ltd., has already subscribed BDT 100,000,000/- (BDT One Hundred million) only worth of Units equivalent to 10,000,000 (Ten million) Units of BDT 10/- (BDT Ten) each on 03 April, 2022.

6.3 Tax Status

Investment in this Fund by individual investors will enjoy tax exemption benefit under Section 44(2) of the Income Tax Ordinance, 1984. Country's Finance Act and Government's tax policies will always determine the tax benefits from investment in mutual funds. However, investors in mutual funds are entitled to the following tax benefits under the current tax policies:

I. Tax advantage on Capital Gain:

Capital Gain from a mutual fund, maximization of which is the primary objective of “Sandhani AML SLIC Fixed Income Fund”, is entirely tax exempted for an individual investor and only 10% tax is applicable for an institutional investor (এস. আর. ও নং ১৯৬-আইন/আয়কর/২০১৫, dated 1 July 2015).

II. Investment Tax Credit:

According to the Section 44(2) under Income Tax Ordinance, 1984, amount of allowable investment is actual investment or 25% of total taxable income or BDT 1,50,00,000.00 (One Crore & Fifty Lac Taka only), whichever is lower.

6.4 Rights of the Unit holders

I. Voting Rights

Unit Holders shall have the usual voting right in person or by proxy in a meeting held in connection with any proposal to wind-up, amend and/or alter and/or vary the term, objectives, nature, characteristics or corpus of the Fund as provided under the Rules or any other agenda of meetings called by the Trustee, in the circumstances delineated in the Trust Deed or the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১. On a show of hands, every unit holder, present in person or by proxy shall have one vote and, on a poll, every unit holder on record of the Scheme present in person or by a proxy shall have one vote for every unit of which s/he is the holder.

II. Transfer of Units

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

III. Dividend

The Sandhani AML SLIC Fixed Income Fund aims to achieve long-term capital appreciation and **shall not provide any dividend**. The unitholders can realize their returns through redemption of the units during the business hour as specified by the Asset Management Company.

IV. Periodic Information

The unit holders of the Fund shall have the right to receive the audited Annual Accounts & Reports of the Fund. Besides, they will be informed on a weekly basis about the NAV of the Fund through newspaper, the website & notice board of the AMC, the Selling Agent(s) to be appointed by the AMC from time to time and other means as the Asset Manager may deem fit.

V. Accounts and Information

The Fund's financial year will be closed on December 31 every calendar year or as determined or consented by the Commission from time to time. The 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 the বিধিমালা.

VI. Beneficial Interest

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

CHAPTR 7: UNIT SUBSCRIPTION

7.1 Terms and Conditions of Unit Subscription

- I. The units of 'Sandhani AML SLIC Fixed Income Fund', hereinafter referred to as the Fund, may be bought/surrendered through Sandhani Asset Management Limited (Sandhani AML) and authorized selling agents appointed by Sandhani 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 of Bangladesh) and not by a firm, minor or persons of unsound mind. Applications from the Insurance Companies, Financial or Capital Market Intermediaries or any other Companies must be accompanied by the Memorandum and Articles of Association and a copy of extract from the meeting of the Board of Directors of the company permitting the investment.
- III. Joint application by two persons is acceptable. In such a case, 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 be bestowed upon the nominee mentioned in the application form.
- IV. During initial subscription minimum purchase amount for individual investors is 500 (Five Hundred) Units and for institutional investors is 5,000 (Five Thousand) Units. The provision of minimum subscription for the individual or institution may change in the future upon due approval from the Trustee.
- V. Application for purchase of units should be accompanied by an account payee cheque/pay order/bank draft/electronic fund transfer/deposit receipt in favor of 'Sandhani AML SLIC Fixed Income Fund' for the total value of units.
- VI. After clearance / encashment of cheque / pay order / bank draft / BEFTN / RTGS / IBFT or any other process as approved by the regulatory authority, the applicant will be issued with a "Confirmation of Unit Allocation" against every purchase of Units he /she / the institutional investor applies for.
- VII. Application must contain BO account number, full name and address of the applicant and the nominees. A minor can also be a nominee.

- VIII. Partial surrender (fraction of total units held under a Unit Allocation Confirmation) is allowed without any additional cost subject to minimum surrender quantity of 500 (Five Hundred) 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/her/their Unit holding.
- IX. The units may be transferred by way of inheritance/gift and/or by specific operation of the law, but not less than 2,000 (Two Thousand) Units per unit allocation confirmation. 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.
- X. All payments /receipts in connection with or arising out of transactions in the units hereby applied for shall be in Bangladeshi Taka (BDT).
- XI. The difference between selling price and repurchase price per unit shall not exceed 1% (one percent) of the NAV per unit at fair value of the Fund, provided that redemption did not take place within 1 (One) year of purchase of unit or redemption amount did not exceed 50% of the outstanding unit holding.
- XII. In case of redemption before 1-year of holding maximum additional 1% load can be imposed.
- XIII. In case of redemption of more than 50% of outstanding unit holding further additional 1% load can be imposed. However, investor holding investment of less than TK 5 lac shall not be subject to additional 1% exit load in case of redemption.

**APPLICATIONS NOT IN CONFORMITY WITH THE ABOVE
REQUIREMENTS ARE LIABLE TO BE REJECTED**

CHAPTER 8: SELLING AGENT, BANKER & FORMS

8.1 Selling Agent

The following organizations have been appointed to act as the selling agents of the mutual fund by the asset manager:

Sl. No.	Name of the Selling Agent	Address	Contact Information
1.	Bluechip Securities Ltd.	Head Office Modhumiya Building (6 th Floor), 158-160 Motijheel C/A, Dhaka-1000	+88029555330 +88029567470 +88029556787
2.	BRAC EPL Stock Brokerage Ltd.	Head Office Symphony, Plot-S.E (F)-9 (3 rd Floor), Road 142, Gulshan-1, Dhaka-1212	+8801730727937 +8801755658985
3.	City Brokerage Ltd.	Registered Office City Centre Unit# 12A, 12 th Floor (Level-13), 90/1 Motijheel C/A, Dhaka-1000	+88029567018
4.	Community Bank Investment Ltd.	Head Office Police Plaza Concord (Level-12 Tower 2), Plot 2, Road 144, Gulshan 1, Dhaka-1212	+8809612715555
5.	Dhaka Bank Securities Ltd.	DSE Branch 9/E Motijheel C/A, Ground Floor; Dhaka-1000	+8802223355917 +8801730073815
6.	KHB Securities Ltd.	Head Office 90/1 City Centre (Level-12), Motijheel C/A, Dhaka-1000	+8801713559797

Sl. No.	Name of the Selling Agent	Address	Contact Information
7.	Mona FCS Ltd.	Head office Room# 412, 413 & 417, DSE Building, 9/F, Motijheel C/A, Dhaka -1000	+8801817031760
		DOHS Mohakhali Branch Plot# 462, 1 st Floor (East Side), Road# 31, New DOHS, Mohakhali, Dhaka-1206	+8801819814363
		Mirpur DOHS Branch House# 1040, Road# 44, New DOHS, Mirpur, Pallabi, Dhaka-1216	+8801718361119
		Dhanmondi Branch Suit# A, Sima Blossom (Level 10), Plot# 390 (Old), 03 (New), Road# 27 (Old), 16 (New), Dhanmondi C/A, Dhaka-1209	+8801521308765
		Mohammadpur Branch 16/A/3 (2 nd Floor) Ring Road, Mohammadpur, Dhaka-1207	+8801819814242
		Mirpur-10 Branch Parbata Tower, House# 4-6, Room# 313, Rokeya Sarani, Mirpur# 10, Dhaka-1216	+8801913744344
		Moulvibazar Branch Shop# 18 & 19, Gulbadan Supper Market (2 nd Floor), 4/1 Moulvibazar, Dhaka-1100	+8801998125999
		Chittagong Branch B.M Shopping Complex (1 st Floor), East Side, Bandar Community Centre, Mahal Khan Bazar, Karnafuly, Chittagong	+8801858931893
8.	Prime Finance Capital Management Ltd.	Corporate Office PFI Tower (7 th Floor), 56-57 Dilkusha C/A, Dhaka-1000	+8801678003131
9.	Sandhani Life Finance Ltd.	Head office 16 Motijheel C/A (2 nd Floor), Dhaka -1000	+88-02-9515249 +88-02-47118505
10.	Sandhani Life Insurance Company Ltd.	Head Office Sandhani Life Tower Rajuk Plot no. 34, Bangla Motor, Dhaka-1000	+880255168181-5
11.	UCB Stock Brokerage Ltd.	Head Office Bulus Center (17 th Floor), Plot-CWS (A)1, Road 34, Gulshan Avenue, Dhaka-1212	+8801701205001
		Extension of Head Office 16 Dilkusha C/A (1 st Floor), Dhaka-1000	+8801701205090

Sl. No.	Name of the Selling Agent	Address	Contact Information
12.	UNICAP Investment Ltd.	Corporate Office Noor Tower 4 th Floor; 73 Sonargaon Road, Dhaka-1205	+8801936600822
13.	UNITED Securities Ltd.	Gulshan Corporate Office Gulshan Centre Point, Level-8	+8801778930547
		Motijheel Branch City Centre, 11-D, Level-12	+8801730322536
		Chittagong Branch Atlas Rangs Plaza, 13 th Floor; Agrabad C/A	+8801313412630
14.	Vertex Stock & Securities Ltd.	Corporate Office City Centre (Level 14), 90/1, Motijheel C/A, Dhaka-1000	+8801777739992

8.2 Bankers

BRAC Bank Limited has been appointed to act as the Banker of the fund by the asset manager. The public subscription money collected from the investors through the Selling Agents will be remitted to the following bank account:

Account Name	Sandhani AML SLIC Fixed Income Fund
Account Number	1513205147845001
Bank	BRAC Bank Limited
Branch	Graphics Building Branch
Routing Number	060272531
SWIFT Code	BRAKBDDH

8.3 Forms

Specimen copies of the following forms are available on the website of Sandhani Asset Management Limited. (www.sandhaniaml.com):

- i. Application Form to Purchase Units, Individual
- ii. Application Form to Purchase Units, Institution
- iii. Surrender / Repurchase Form
- iv. Transfer Form

SANDHANI AML SLIC FIXED INCOME FUND
APPLICATION FORM TO PURCHASE UNITS - INDIVIDUAL
(Please Read Instructions Overleaf; Fill up the Form in Block Letters)

To
The Managing Director & CEO
Sandhani Asset Management Limited
16, Motijheel C/A
Dhaka 1000

Registration No.: _____
Sale no.: _____

I/We enclose Taka _____ (Taka _____) vide Cheque/P.O./D.D. /BEFTN
No. _____ Bank _____ Branch _____
Routing No. _____ and would like to purchase _____ units of Sandhani AML SLIC Fixed Income Fund, at the price of
Tk. _____ per unit through _____ I/We are giving necessary information as
follows:

A. Principal Applicant

Registration No. (for existing unit holder only) _____
Name: _____
Father's/Husband's Name: _____
Mother's Name: _____
Date of Birth: _____ Occupation: _____
Nationality: _____ National ID no. (if any): _____
Present Address: _____
Permanent Address: _____
BO A/C: _____
Telephone No.: _____ Fax No.: _____
ETIN : _____
E-mail: _____ Bank: _____
Branch: _____ A/C No.: _____
Investment option: SIP Non SIP Residency Status: Resident: Non Resident:

B. Joint Applicant

Name: _____
Father's/Husband's Name: _____
Mother's Name: _____
Date of Birth: _____ Occupation: _____
Nationality: _____ National ID no. (if any): _____
Present Address: _____
Permanent Address: _____
BO A/C: _____
Telephone No.: _____ Fax No.: _____
E-mail: _____ ETIN : _____

C. Nominee

Name: _____
Father's/Husband's Name: _____
Mother's Name: _____
Relationship with principal applicant _____
Date of Birth: _____ Occupation: _____
Nationality: _____ National ID no. (if any): _____
Present Address: _____
Permanent Address: _____
BO A/C: _____
Telephone No.: _____ Fax No.: _____
E-mail: _____ Signature: _____

Signature of Applicants

Principal Applicant

Joint Applicant

Date of Application: _____

TERMS AND CONDITIONS

1. The units of Sandhani AML SLIC Fixed Income Fund, hereinafter referred to as the Fund, may be bought /surrendered through Sandhani Asset Management Limited (Sandhani AML) and authorized selling agents appointed by Sandhani AML from time to time. Surrender of units is allowed through Sandhani AML or the selling agent from which the units are originally purchased.
2. 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.
3. Joint application by two persons is acceptable. In such a case, registration and issuance of unit allocation confirmation 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.
4. Minimum purchase quantity for individual investors is 500 (five hundred) units and for institutional investors is 5,000(five thousand) units.
5. Application for purchase of units should be accompanied by an account payee cheque/pay order/bank draft in favour of “Sandhani AML SLIC Fixed Income Fund” for the total value of units.
6. After clearance/ encashment of cheque/ pay order/ bank draft/ online fund transfer, the units will be allocated in favor of the applicant against every purchase with a denomination of number of proportionate to the prevailing NAV (Net Asset Value) of the week. Units will also be delivered to the unit holder’s BO account in demat form.
7. Partial surrender (fraction of total units held under a unit allocation confirmation) 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 confirmation of allocation representing the balance of his/her/their unit holding.
8. 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 Sandhani AML from time to time except in the case of transfer by way of inheritance.
9. All payments /receipts in connection with or arising out of transactions in the Units hereby applied for shall be in Bangladeshi Taka.
10. Surrender of Units should be done by transferring units from the Unit holder’s BO account to mutual fund’s designated BO account. The DP40 report will be submitted to the asset manager for confirming the surrender of units.
11. Units can be traded on every business day except Thursday and during book closure period of the Fund.

FOR OFFICIAL USE ONLY

Registration No.: _____

Date: _____ Sale No.: _____

No. of Units: _____ Unit Allocation Confirmation No.: _____

Sign and Seal of Issuing Office

I/we confirm that I/we have received the unit allocation confirmation mentioned above and also that I/we have read, understood and agree to abide by the terms set out above as may be altered, replaced and modified from time to time by Sandhani Asset Management Limited.

Primary/First Applicant

Joint Applicant

Nominee

SANDHANI AML SLIC FIXED INCOME FUND

APPLICATION FORM TO PURCHASE UNITS - INSTITUTION

(Please Read Instructions Overleaf, Fill up the Form in Block Letters)

To
The Managing Director & CEO
Sandhani Asset Management Limited
16, Motijheel C/A
Dhaka 1000

Registration No.: _____
Sale no.: _____

We enclose Taka _____ (Taka _____) vide Cheque/P.O./D.D.
/BEFTN/NPSB/RTGS. No. _____ Bank _____

Branch _____ and request you to sell us _____ units of Sandhani AML SLIC Fixed Income Fund, at the
price of Tk. _____ per unit through _____.

We are giving necessary information as follows:

Registration no. with Sandhani AML SLIC Fixed Income Fund (for existing unit holder only) _____
Name of the institution: _____

Type of institution: Local company Foreign company Trust Society Other

Registration No.: _____ TIN No.: _____

Address: _____ BO A/C: _____

Telephone No.: _____ Fax No.: _____ E-mail: _____

Bank: _____ Branch: _____

A/C No.: _____ Investment option: SIP Non SIP

Name of the CEO/MD: _____

Details of Authorised Person(s), if any:

Sl. No.	Name	Designation	Signature
1.	_____	_____	_____
2.	_____	_____	_____

CEO/MD

1st Authorized Person

2nd Authorized Person

Mode of operation: Jointly by _____ Singly by _____

Documents enclosed:

- | | |
|--|--|
| Incorporation Certificate <input type="checkbox"/> | TIN Certificate <input type="checkbox"/> |
| Trust Deed <input type="checkbox"/> | Extract of Board Resolution <input type="checkbox"/> |
| Trade license <input type="checkbox"/> | Relevant document if Board Resolution is not required <input type="checkbox"/> |
| Society Registration Certificate <input type="checkbox"/> | Letter of authority issued in favor of authorized person(s) <input type="checkbox"/> |
| Memorandum and Article of Association <input type="checkbox"/> | |

Date of application: _____ Seal and Signature of the Applicant _____

TERMS AND CONDITIONS

1. The units of Sandhani AML SLIC Fixed Income Fund, hereinafter referred to as the Fund, may be bought /surrendered through Sandhani Asset Management Limited (Sandhani AML) and authorized selling agents appointed by Sandhani AML from time to time. Surrender of units is allowed only through Sandhani AML or the selling agent from which the units were originally purchased.
2. 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.
3. Joint application by two persons is acceptable. In such a case, registration and issuance of unit allocation confirmation 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.
4. Minimum purchase quantity for individual investors is 500 (five hundred) units and for institutional investors is 5,000 (five thousand) units.
5. Application for purchase of units should be accompanied by an account payee cheque/pay order/bank draft in favour of EFTN/Deposit "Sandhani AML SLIC Fixed Income Fund" for the total value of units.
6. After clearance/ encashment of cheque/ pay order/ bank draft/ online fund transfer, the units will be allocated in favor of the applicant against every purchase with a denomination of number of proportionate to the prevailing NAV (Net Asset Value) of the week. Units will also be delivered to the unit holder's BO account in demat form.
7. Partial surrender (fraction of total units held under a single unit allocation confirmation) is allowed without any additional cost subject to minimum surrender quantity of 500 (five hundred) units both for individuals and institutions. Upon partial surrender, the unit holder will be issued with a new unit allocation confirmation representing the balance of his/her/their unit holding.
8. 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 Sandhani AML from time to time except in the case of transfer by way of inheritance.
9. All payments /receipts in connection with or arising out of transactions in the units hereby applied for shall be in Bangladeshi Taka.
10. Surrender of Units should be done by transferring units from the Unit holder's BO account to mutual fund's designated BO account. The DP40 report will be submitted to the asset manager for confirming the surrender of units.
11. Units can be traded on every business day except Thursday and during book closure period of the Fund.

FOR OFFICIAL USE ONLY

Registration No.: _____

Date: _____

Sale No.: _____

No. of units: _____

Unit Allocation Confirmation No.: _____

Sign and Seal of Issuing Office

We confirm that we have received the unit allocation confirmation mentioned above and also that we have read, understood and agree to abide by the terms set out above as may be altered, replaced and modified from time to time by Sandhani AML.

Seal & Signature of the Authorized Person

SANDHANI AML SLIC FIXED INCOME FUND

SURRENDER FORM

(Please Read Terms and Conditions Overleaf, Fill up the Form in Block Letters)

Date: _____

Surrender no.: _____

Sale no.: _____

Registration no.: _____

To
The Managing Director & CEO
Sandhani Asset Management Limited
16, Motijheel C/A
Dhaka 1000

I/We _____ of _____ having the registration no. _____ is/are the holder(s) of _____ units of Sandhani AML SLIC Fixed Income Fund. I/We would like to surrender _____ units at the repurchase price of Tk. _____ per unit as declared by you on _____. My/Our surrender request is summarized below:

Sl. No.	Unit Allocation Confirmation No.	Unit held under this Allocation no.	To be Surrendered		
			No. of Units	Repurchase Price Tk/Unit	Total Surrender Value Tk

I/We attach herewith the above mentioned unit allocation confirmation(s). Please issue an account payee cheque in favor of me/us for total surrender amount and issue a unit allocation confirmation for balance units, if any, at your earliest convenience.

Thank you.

Witnesses

1. Signature _____ 1.
Name: _____
Father's
/Husband's Name: _____
Address: _____

Signature of Unit Holder(s)

2. Signature _____ 2.
Name: _____
Father's
/Husband's Name: _____
Address: _____

Acknowledgement

Received the Confirmation of Unit Allocation for surrender/partial surrender as mentioned below:

Registration No: _____ Confirmation of Unit Allocation No: _____
Quantity : _____ Surrender Quantity: _____

Issuing Officer's Seal, Signature & Date Surrender No. Authorized Person's Seal, Signature

VERIFICATION (OFFICIAL USE ONLY)

Checked and verified by _____ on _____

TERMS AND CONDITIONS

1. The units of Sandhani AML SLIC Fixed Income Fund, hereinafter referred to as the Fund, may be bought /surrendered through Sandhani Asset Management Limited (Sandhani AML) and authorized selling agents appointed by Sandhani AML from time to time. Surrender of units is allowed only through Sandhani AML or the selling agent from which the units were originally purchased.
2. Units may be surrendered on all working days except last working day of the week and during the book closure period of the Fund.
3. Minimum surrender quantity is 500 (five hundred) units for both individual and institutional unit holders.
4. Partial surrender (fraction of total units held under a unit allocation confirmation) is allowed without any additional cost subject to minimum surrender quantity of 500 (five hundred) units both for individuals and institutions. Upon partial surrender, the unit holder will be issued with a new unit allocation confirmation representing the balance of his/her unit holding.
5. Unit holder is required to attach all the unit allocation confirmation he/she/the institution wants to surrender along with Surrender Form.
6. After verification of authenticity of certificate(s), account payee cheque for surrender amount will be issued in favour of unit holder within maximum of three working days. In case of joint holding, account payee cheque will be issued in favour of principal holder.
7. Surrender of Units should be done by transferring units from the Unit holder's BO account to mutual fund's designated BO account. The DP40 report will be submitted to the asset manager for confirming the surrender of units.

FOR OFFICIAL USE ONLY

Date of issuance of cheque _____

Cheque no. _____ amount Tk _____ (Taka _____) Bank
in favour of _____

For balance unit, if any,

Reg no/date of issuance of Unit Allocation Confirmation: _____ Sale no. _____

No. Units _____ Unit Allocation Confirmation no. _____

Sign and Seal of Issuing Office

Received cheque and/or Unit Allocation Confirmation(s) mentioned above.

Date _____

Signature of Unit holders

SANDHANI AML SLIC FIXED INCOME FUND

TRANSFER FORM

(Please Read Terms and Conditions Overleaf; Fill up the Form in Block Letters)

Date: _____

Transfer no.: _____

To
The Managing Director & CEO
Sandhani Asset Management Limited
16, Motijheel C/A
Dhaka 1000

Registration no.: _____

I/We _____ of _____ having the registration no. _____, hereinafter referred as Transferor, is/are the holder(s) of _____ units of Sandhani AML SLIC Fixed Income Fund. I/We would like to transfer unit allocation confirmation no. _____ having _____ units to the following person, hereinafter referred as Transferee:

A. Principal Applicant

Name: _____
Father's/Husband's Name: _____
Mother's Name: _____
Date of Birth: _____ Occupation: _____
Relationship with Transferor: _____
Nationality: _____ National ID no. (if any): _____
Address: _____
BO A/C: _____
Telephone No.: _____ Fax No.: _____
E-mail: _____ Bank: _____
Branch: _____ A/C No.: _____
Residency Status: Resident Non Resident
Registration No. (for existing unit holder only) _____
Means of transfer: Inheritance Gift Operation of law

B. Joint Applicant

Name: _____
Father's/Husband's Name: _____
Mother's Name: _____
Date of Birth: _____ Occupation: _____
Relationship with Transferor: _____
Nationality: _____ National ID no. (if any): _____
Address: _____
BO A/C: _____
Telephone No.: _____ E-mail: _____
Branch: _____ A/C No.: _____
Residency Status: Resident Non Resident

Nominee

Name: _____
Father's/Husband's Name: _____
Mother's Name: _____
Relationship with principal applicant _____
Date of Birth: _____ Occupation: _____
Nationality: _____ National ID no. (if any): _____
Present Address: _____
Permanent Address: _____
BO A/C: _____
Telephone No.: _____
E-mail: _____ Signature: _____

Witnesses

1. Signature

Name:

Father's

/Husband's Name:

Address:

Signature of Transferor

2. Signature

Name:

Father's

/Husband's Name:

Address:

Signature of Transferee

VERIFICATION (OFFICIAL USE ONLY)

Checked and verified by _____ on _____

TERMS AND CONDITIONS

- 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 Sandhani Asset Management Limited (Sandhani AML) from time to time except in the case of transfer by way of inheritance.
- Transfer of units is allowed only through Sandhani AML or the selling agent from which the units were originally purchased.
- The units will be transferred on all working days except the last working day of the week and during the book closure period of the Fund.
- The total number of units held by a single unit allocation confirmation is required to be transferred at a time.
- Partial transfer (fraction of total units held under a single unit allocation confirmation) is not allowed. However, the unit holders may split unit allocation confirmation to his/her desired denomination, but not less than 500 (five hundred) unit per unit allocation confirmation, for the purpose of transfer.
- The unit allocation confirmation (s) the unit holder(s) intends to transfer is/are required to be attached with the Transfer Form.
- After verification of authenticity of unit allocation confirmation (s) as well as the information provided in transfer form issuing office, Sandhani AML or any of its authorized selling agent will deliver the unit certificate to the Transferee within a period of maximum seven working days. If there are any Units left with the transferor after such transfer, the Asset Manager will issue a new Confirmation of Unit Allocation for the remaining units in the name of the Transferor
- The conditions applicable for original unit allocation confirmation will apply even after transfer of units in the name of Transferee.

FOR OFFICIAL USE ONLY

Date of Transfer: _____

Transfer no.: _____

Unit Allocation Confirmation no.: _____

No. of Units: _____

Sign and Seal of Issuing Office

I/We, the said transferee, have received the above mentioned unit allocation confirmation and do hereby agree to accept and take the said unit allocation confirmation on the same terms and conditions on which they were held by the said transferor.

Date _____

Signature of Transferee



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