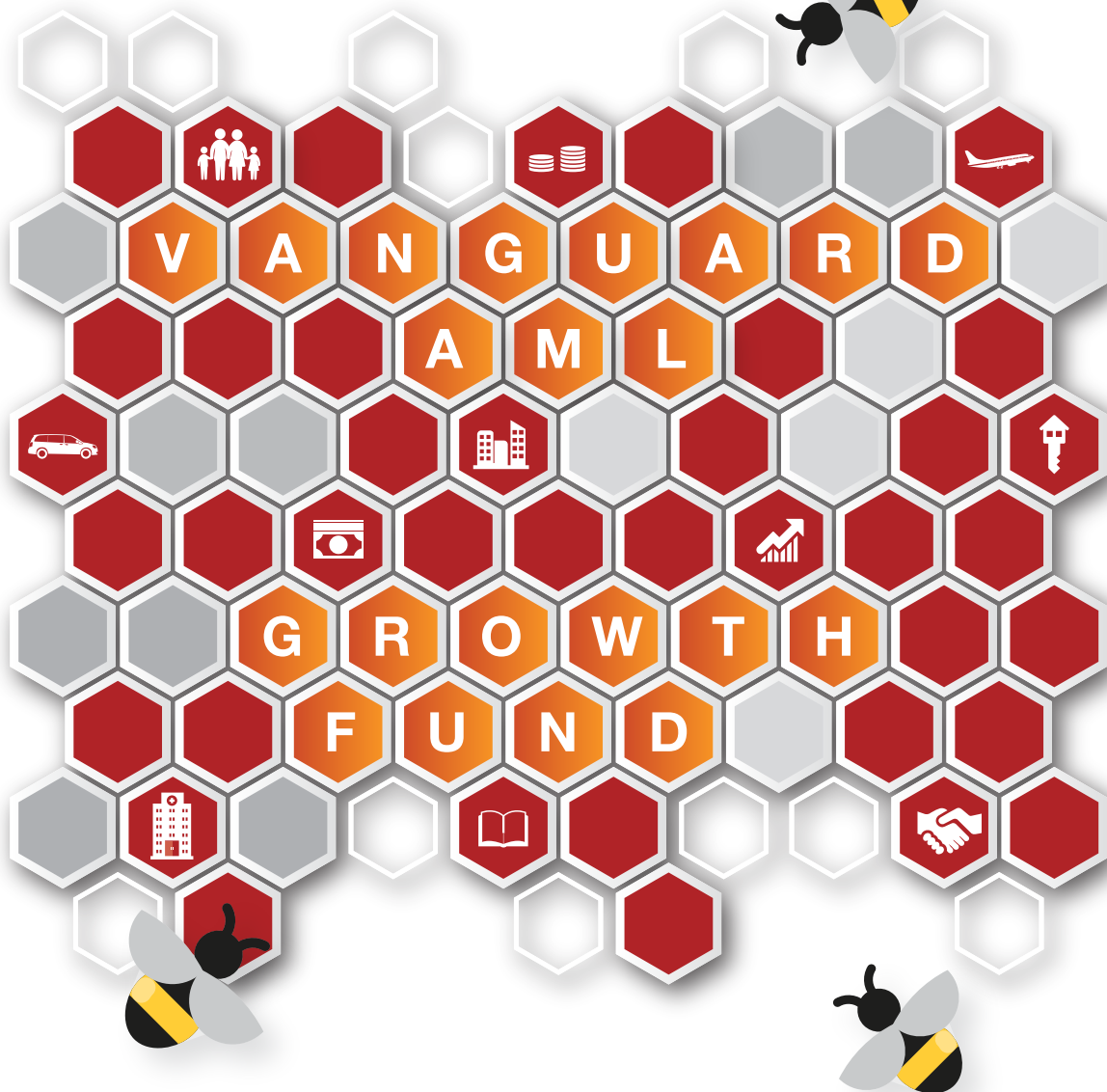




PROSPECTUS

Prospectus

Vanguard AML Growth Fund



Trustee & Custodian

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন।”

“Capital market investment related to certain level of risks. The investors are required to read the prospectus and risk factors carefully, assess their own financial conditions and ability of risk taking before making their investment decision.”

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন।”

“Capital market investment related to certain level of risks. The investors are required to read the prospectus and risk factors carefully, assess their own financial conditions and ability of risk taking before making their investment decision.”

PROSPECTUS VANGUARD AML GROWTH FUND AN OPEN- END MUTUAL FUND

Initial Size of Issue	BDT 10,00,00,000.00 (Taka Ten Crore)
Number of Units	1,00,00,000 units (One Crore Units)
Initial Offer Price	BDT 10.00 (Taka Ten) per unit
Sponsor's Contribution	BDT 1,00,00,000.00 (Taka One Crore)
Initial Public Offering	BDT 9,00,00,000.00 (Taka Nine Crore)
Initial Subscription Opens	October 28, 2018

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 VANGUARD AML GROWTH FUND (HEREINAFTER THE FUND) BEARS CERTAIN RISKS THAT INVESTORS SHOULD CAREFULLY CONSIDER BEFORE INVESTING IN THE FUND. INVESTMENT IN THE CAPITAL MARKET AND IN THE FUND BEARS CERTAIN RISKS THAT ARE NORMALLY ASSOCIATED WITH MAKING INVESTMENTS IN SECURITIES INCLUDING LOSS OF PRINCIPAL AMOUNT INVESTED. THERE CAN BE NO ASSURANCE THAT THE FUND WILL ACHIEVE ITS INVESTMENT OBJECTIVE. 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 particular 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.

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FUND DIRECTORY

Sponsor & Asset Manager	Vanguard Asset Management Ltd.
	Symphony (Level # 06) Plot # SE (F) 9, Road # 142, South Avenue, Gulshan-1, Dhaka – 1212, Bangladesh. Tel: +88 02 9840862, Fax: +88 02 9840863 e-mail: info@vanguardaml.com Web: www.vanguardaml.com
Trustee & Custodian	Investment Corporation of Bangladesh (ICB)
	BDBL Bhaban (Level 14-17), 8, Rajuk Avenue, Dhaka - 1000, Bangladesh Tel: +88 02 9563455
Auditor	Hoda Vasi Chowdhury & Co
	Chartered Accountants BTMC Bhaban, (6th – 7th Floor) 7-9 Kawran Bazar Commercial Area, Dhaka 1215, Bangladesh
Investor's Services	Vanguard Asset Management Ltd.
	Symphony (Level # 06) Plot # SE (F) 9, Road # 142, South Avenue, Gulshan-1, Dhaka – 1212, Bangladesh. Tel: +88 02 9840862, Fax: +88 02 9840863 e-mail: info@vanguardaml.com Web: www.vanguardaml.com
Selling Agent	VAML will act as the selling agent of the Vanguard AML Growth Fund. The Asset Manager may appoint and cancel Selling Agent(s) in future subject to approval of the Trustee and with the information to the BSEC. In addition to the individuals will also be eligible to work as selling agent to be appointed by Asset Manager.

DEFINITIONS AND ELABORATION OF ABBREVIATED TERMS:

Term	Definition
বিধিমালা / Rule	: সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১
Act	: বাংলাদেশ সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন আইন, ১৯৯৩ and its amendment made from time to time
Allotment	: Letter / Confirming allotment of Units
Asset Management / Asset Management Company / Fund Manager, Investment Manager/ AMC	: Vanguard Asset Management Limited
Application Form	: An application form meant to be used by an investor to purchase units of the Scheme
BAS	: Bangladesh Accounting Standards
BSA	: Bangladesh Standards on Auditing
BB	: Bangladesh Bank
BDT	: Bangladeshi Taka
BEFTN	: Bangladesh Electronic Fund Transfer Network
BO A/C	: Beneficial Owner Account or Depository Account
Book Closer	: Sale and repurchase of unit certificates by the Asset Management Company shall remain closed during the month of April unless the Commission decides otherwise
BSEC/ Commission	: Bangladesh Securities & Exchange Commission
Business Day	: A day not being: 1. A weekend; 2. A Day on which the stock exchange 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; 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
Companies Act	: কোম্পানি আইন, ১৯৯৪
Confirmation of Unit Allocation	: Letter confirming allocation of units
CSE	: Chittagong Stock Exchange Ltd.
Custodian	: Investment Corporation of Bangladesh (ICB)
Dividend	: Income distributed by the Fund, when/ where applicable
DSE	: Dhaka Stock Exchange Ltd.
Effective Date	: The Date of registration of the Trust Deed
EPU	: Earnings Per Unit
FC Account	: Foreign Currency Account
FIS	: Fixed Income Securities
Fund / Scheme	: Vanguard AML Growth Fund
Government	: The Government of the People's Republic of Bangladesh
Growth	: The Fund will mostly investing in growth oriented companies in emerging sectors subject to restrictions imposed by the বিধিমালা
ICB	: Investment Corporation of Bangladesh
IPO	: Initial Public Offering
ISA	: International Standards on Auditing
Issue	: Public Issue
Mutual Fund/The Fund/Unit Fund/Open End Mutual Fund	: Vanguard AML Growth Fund
NAV	: Net Asset Value
NBFI	: Non- Banking Financial Institution
NBR	: National Board of Revenue
Net Assets	: The excess of Assets over liabilities of the Fund, computed in the manner specified hereunder

Non Resident Bangladeshi/ NRB	: Non-resident Bangladesh (NRB) means Bangladeshi citizens staying abroad including all those who have dual citizenship provided they have a valid Bangladesh 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”
Offer Document	: This document issued by Vanguard AML Growth 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 offer document will be deemed to be updated by the addendum
Offering Price	: Price of the units of the Fund being offered
Ongoing Offer Period	: Offer of Units of the Fund after the closure of the initial offer period
Prospectus	: The advertisements 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 বিধিমালা 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
Reinvestment	: Distribution of profit by issuing units based on most recent NAV of the Mutual Fund
Repurchase	: Repurchase of Units by the Fund from an Unit- holder
Repurchase/Surrender Price	: Price at which the Units can be redeemed / repurchased and calculated in the manner provided in this offer document prescribed by the rules and its amendment
Sales Agent/ Selling Agent/ Point of Sales	: AMC designated official points for accepting transaction / Service requests from the investors
Sponsor	: Vanguard Asset Management Limited
The Fund/Unit Fund	: Vanguard AML Growth Fund
Tk	: Bangladeshi Taka
Trustee	: Investment Corporation of Bangladesh (ICB)
Unit	: One undivided share of the Mutual Fund
Unit Certificate/ Certificate	: Unit Certificate of the Fund in dematerialized form under CDBL
Unit Holder	: A Person (single/ Joint) or institution holding units of Vanguard AML Growth Fund offered under this offer document

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

Name of the Fund	Vanguard AML Growth Fund
Type	Open-ended Growth Fund as defined in the "সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১" which implies that the objective of the fund should be for long term capital appreciation instead of short term profit.
Life and Size of the Fund	Perpetual life and unlimited size
Sponsor	Vanguard Asset Management Limited
Asset Manager	Vanguard Asset Management Limited
Trustee	Investment Corporation of Bangladesh (ICB)
Custodian	Investment Corporation of Bangladesh (ICB)
Investment Objective	The objective of the Fund is to provide attractive risk adjusted return to the unit holders by investing the proceeds in the capital market and money market.
Initial Size of the Fund	BDT 10,00,00,000.00 (Ten Crore Taka) divided in to 1,00,00,000 (One Crore) Units of BDT 10.00 (Ten Taka) each
Face Value	BDT 10.00 (Ten Taka) Per Unit
Minimum Application Amount	100 units equivalent to BDT 1,000 (during public subscription) for individuals and 2,500 units equivalent to BDT 25,000 (during public subscription) for institution.
Loads	Entry Load: NIL (purchase price at NAV at market price), Exit Load: Primarily 3% discount from NAV at Market Price. The Loads may vary as per the decision by the Asset Management Company.
Sale/Surrender/Transfer of Units	Over the Counter (OTC) of the Asset Manager and designated Selling Agents
Transparency / NAV Disclosure	NAV, Sales Price and Repurchase Price will be disclosed on weekly basis and will be published on website of the Fund Manager and as per prescribed rule.
Target Group	Individuals- both resident and non- resident, institutions- both local and foreign, mutual funds and collective investment schemes (CIP) are eligible to subscribe the units of the fund.
Dividend	Minimum 50% (Fifty percent) of realized profit of the Fund will be distributed as dividend in Bangladeshi Taka or CIP (if requested by the investor) only in each accounting year
Dividend Distribution	The dividend warrant will be distributed within 45 (forty five) days from the date of declaration
Transferability	The Units of the Fund are transferable by way of inheritance / gift and / or by specific operation of the law

Liquidity	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)	Systematic Investment Plan or SIP allows investor to invest a certain Predetermined amount at a regular interval (monthly, quarterly, yearly etc.) A SIP is 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. The SIP is a smart and hassle free mode for investing money in Mutual Funds.
Reports and Accounts	Every Unit holder is entitled to receive annual report along with the quarterly, half-yearly annual financial statements and portfolio statements as and when published from the official website of the Asset Manager
Tax Benefit	a) Income from a mutual fund or a unit fund up to Tk. 25,000.00 (Twenty Five Thousand) is exempted from the tax under Income Tax Ordinance 1984. b) Investment in Mutual Fund will qualify for investment tax credit according to the section 44(2) Under income tax ordinance 1984.

ফান্ড হাইলাইটস্

ফান্ড এর নাম	ভ্যানগার্ড এ এম এল গ্রোথ ফান্ড
প্রকৃতি	বে-মেয়াদী মিউচুয়াল ফান্ড যা সংজ্ঞায়িত আছে "সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়ালফান্ড) বিধিমালা, ২০০১" এবং ফান্ডের মূল লক্ষ্য অর্থ ও পুঁজিবাজারের তহবিলে বিনিয়োগের মাধ্যমে ঝুঁকি হ্রাস করে লভ্যাংশ প্রদান ও বিনিয়োগের মূল্য বৃদ্ধি করণ
ফান্ডের মেয়াদ এবং আকার	অসীম এবং বে-মেয়াদী
উদ্যোক্তা	ভ্যানগার্ড অ্যাসেট ম্যানেজমেন্ট লিমিটেড
সম্পদ ব্যবস্থাপক	ভ্যানগার্ড অ্যাসেট ম্যানেজমেন্ট লিমিটেড
ট্রাস্টি	ইনভেস্টমেন্ট কর্পোরেশন অব বাংলাদেশ (ICB)
হেফাজতকারী	ইনভেস্টমেন্ট কর্পোরেশন অব বাংলাদেশ (ICB)
বিনিয়োগের উদ্দেশ্য	পুঁজিবাজার ও মুদ্রা বাজারে সমন্বিত বিনিয়োগের মাধ্যমে ইউনিট হোল্ডারদের বিনিয়োগ ঝুঁকিকে সমন্বয়ের মাধ্যমে পর্যাপ্ত মুনাফা নিশ্চিত করা ও বিনিয়োগের মূল্য বৃদ্ধি করণ
ফান্ডের প্রাথমিক আকার	৳ ১০,০০,০০,০০০/- (দশ কোটি টাকা) মাত্র যা প্রতিটি ৳ ১০/- (দশ টাকা মাত্র) অভিহিত মূল্যেও ১,০০,০০,০০০ (এক কোটি) ইউনিটে বিভক্ত
অভিহিতমূল্য	৳ ১০/- (দশ টাকা মাত্র) প্রতি ইউনিট
ন্যূনতম আবেদন মূল্য	ব্যক্তি বিনিয়োগকারী গণের জন্য প্রতি আবেদনে ১০০ ইউনিট (প্রাথমিক গণপ্রস্তাবের সময়ে) ৳ ১,০০০/- (এক হাজার টাকা) মাত্র এর সমতুল্য; প্রাতিষ্ঠানিক বিনিয়োগকারী গণের জন্য প্রতি আবেদনে ২,৫০০ ইউনিট (প্রাথমিক গণপ্রস্তাবের সময়ে) ৳ ২৫,০০০/- (পঁচিশ হাজার টাকা) মাত্র এর সমতুল্য। (নিয়মিত বিনিয়োগ পরিকল্পনা বা SIP বিনিয়োগকারীদের জন্য ইহা প্রযোজ্য নয়)
লোড	প্রবেশ লোড: নাই (NAV এর সমতুল্য ক্রয়মূল্য), প্রস্থান লোড: NAV (বাজার মূল্য) থেকে প্রাথমিক ৩% হ্রাসে এবং সম্পদ ব্যবস্থাপনা কোম্পানির এর সিদ্ধান্ত অনুযায়ী লোড পরিবর্তন হতে পারে
বিক্রয়/ সমপর্ণ/ হস্তান্তর	সম্পদ ব্যবস্থাপক এবং অনুমোদিত বিক্রয় প্রতিনিধির কাউন্টার
স্বচ্ছতা / অ্যাসেট ভ্যালু (NAV) প্রকাশ	ফান্ডের সাপ্তাহিক নেট অ্যাসেট ভ্যালু (NAV), ক্রয় ও বিক্রয় / সমপর্ণমূল্য অ্যাসেট ম্যানেজমেন্ট কোম্পানির ওয়েবসাইট এবং একটি জাতীয় দৈনিক পত্রিকায় প্রকাশ করা হবে
নির্দিষ্ট বিনিয়োগকারীগণ	নিবাসী ও অনিবাসী ব্যক্তিবর্গ, দেশী ও বিদেশী প্রতিষ্ঠান সমূহ, নিবন্ধিত মিউচুয়াল ফান্ডসমূহ এবং সামষ্টিক বিনিয়োগ স্কিম সমূহ ফান্ডে বিনিয়োগ করতে পারবে
লভ্যাংশ	ফান্ডের অর্জিত বাৎসরিক আয়ের ন্যূনতম ৫০% (পঞ্চাশ শতাংশ) বাংলাদেশী টাকা অথবা পুঞ্জীভূত বিনিয়োগ পরিকল্পনা (সিআইপি) হিসাবে প্রতি হিসাব বছরান্তে বিতরণ করা হবে
লভ্যাংশ বিতরণ	লভ্যাংশ ঘোষণার তারিখ থেকে ৪৫ (পঁয়তাল্লিশ) দিনের মধ্যে তা বিতরণ করা হবে
হস্তান্তর যোগ্যতা	ফান্ডের প্রতিটি ইউনিট উত্তরাধিকার/ উপহার এবং আইনের নির্দিষ্ট বিধি বিধান অনুযায়ী হস্তান্তরযোগ্য
নগদীকরণ	ফান্ডের ইউনিট সম্পদ ব্যবস্থাপক এবং সম্পদ ব্যবস্থাপক কর্তৃক নিয়োগকৃত বিক্রয় প্রতিনিধির নিকট নির্ধারিত অফিস সময়ে সমপর্ণন এবং নগদায়ন করা যাবে

নিয়মিত বিনিয়োগ পরিকল্পনা	নিয়মিত বিনিয়োগ পরিকল্পনা / এসআইপি (SIP) এর মাধ্যমে বিনিয়োগকারীগণ নির্দিষ্ট সময় অন্তর (মাসিক, ত্রৈমাসিক, বাৎসরিক প্রভৃতি) পূর্ব নির্ধারিত পরিমাণ অর্থ বিনিয়োগ করতে পারবেন। ভবিষ্যৎ সম্ভব ও সম্পদ গড়ার লক্ষ্যে এবং বিনিয়োগের জন্য নিয়মিত বিনিয়োগ পরিকল্পনা একটি পরিকল্পিত মাধ্যম। বিনিয়োগকারীগণ স্বল্প পরিমাণ অর্থ বিনিয়োগ করে এসআইপি (SIP) শুরু করতে পারেন
হিসাবরক্ষণ ও প্রতিবেদন	ফান্ডের সকল ইউনিটধারী ফান্ডের বাৎসরিক, অর্ধ-বার্ষিকী এবং ত্রৈমাসিক হিসাব বিবরণী সহ নিরীক্ষিত বার্ষিক প্রতিবেদন পাওয়ার অধিকার রাখেন, যা সম্পদ ব্যবস্থাপকের অফিসিয়াল ওয়েবসাইট এ প্রকাশিত হবে
কর সুবিধা	❖ Income Tax Ordinance, 1984 এর ষষ্ঠ তফসিল এর Part-A অনুযায়ী মিউচুয়াল ফান্ড বা ইউনিট ফান্ড হতে ২৫,০০০/- টাকা (পঁচিশ হাজার) পর্যন্ত প্রাপ্ত আয় করের আওতামুক্ত থাকবে ❖ মিউচুয়াল ফান্ড-এ বিনিয়োগ Income Tax Ordinance, 1984 এর 44(2) ধারা অনুযায়ী বিনিয়োগ জনিত কর রেয়াত সুবিধা পেয়ে থাকবে

RISK FACTORS

Investing in the **Vanguard AML Growth Fund** (hereinafter the Fund) bears certain risks that investors should carefully consider before investing in the Fund. Investment in the capital market and in the Fund bears certain risks that are normally associated with making investments in securities including loss of principal amount invested. There can be no assurance that the Fund will achieve its investment objectives. The Fund value can be volatile and no assurance can be given that investors will receive the amount originally invested. When investing in the Fund, investors should carefully consider the risk factors outlined below, which are not necessarily exhaustive or mutually exclusive:

- 1. General:** There is no assurance that the Fund will be able to meet its investment objective and investors could potentially incur losses, including loss of principal when investing in the Fund. Investment in the Fund is not guaranteed by any government agency, the Sponsor or the AMC. Mutual funds and securities investments are subject to market risks and there can be no assurance or guarantee that the Fund's objectives will be achieved. As with any investment in securities, the Net Asset Value of the Fund may go up or down depending on the various factors and forces affecting the capital markets. Past performance of the Sponsors and their affiliates and the AMC do not indicate the future performance of the Fund. Investors should study this Offer Document carefully in its entirety before investing.
- 2. External Risk:** Performance of the Fund is substantially dependent on the macroeconomic situation and in the capital market of Bangladesh. Political and social instability may have an adverse effect on the value of the Fund's assets. Adverse natural climatic condition may impact the performance of the Fund.
- 3. Market Risk:** The Bangladesh capital market is highly volatile and mutual fund prices and prices of securities can fluctuate significantly. The Fund may lose its value or incur a sizable loss on its investments due to such market volatility. Stock market trends indicate that prices of majority of all the listed securities move in unpredictable direction which may affect the value of the Fund. Furthermore, there is no guarantee that the market prices of the units of the Fund will fully reflect their underlying Net Asset Values.
- 4. Concentration Risk:** Due to a limited number of listed securities in both the DSE and CSE, it may be difficult to invest the Fund's assets in a widely diversified portfolio as and when required to do so. Due to a very thin secondary fixed income/debt market in Bangladesh, it would be difficult for the Fund Manager to swap between asset classes, if and when required. Limited options in the money market instruments will narrow the opportunity of short term or temporary investments of the Fund which may adversely impact the returns.
- 5. Dividend Risk:** Despite careful investment selection of companies in the Fund, if the companies fail to provide the expected dividend or fail to disburse the dividends declared in a timely manner, this will impact the income of the Fund and the overall return of the Fund.
- 6. Underlying Liquidity Risk:** For investing in Pre-Public Offer Placement securities i.e. in unlisted equity securities by the Fund, may involve liquidity risk. In addition, market conditions and investment allocation may have an impact on the ability to sell securities during periods of market volatility. Debt securities, while somewhat less liquid, lack a well-developed secondary market, which may restrict the selling ability of the Fund and may lead to the Fund incurring losses till the security is finally sold. While securities 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 and may lead to the Fund incurring losses till the security is finally sold.
- 7. Investment Strategy Risk:** Since the Fund will be an actively managed investment portfolio, the Fund is subject to management strategy risk. Although the AMC will apply its investment process and risk minimization techniques when making investment decisions for the Fund, there can be no guarantee that such process and techniques will produce the desired outcome.
- 8. Credit Risk:** Since the Fund will seek to also invest as per the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ in both equity and fixed income securities, the credit risk of the fixed income issuers is also associated with the Fund. Investment in fixed income securities are subject to the risk of an issuer's inability to meet interest and principal payments on its obligations and market perception of the creditworthiness of the issuer.

- 9. Interest Rate Risk:** The Net Asset Value (NAV) of the Fund, to the extent invested in Debt and Money Market securities, will be affected by changes in the general level of interest rates. The NAV of the Fund is expected to increase from a fall in interest rates while it would be adversely affected by an increase in the level of interest rates. In addition, 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. Therefore, the interest rate risk of zero coupon securities is higher. The AMC may choose to invest in zero coupon securities that offer attractive yields. This may increase the risk of the portfolio.
- 10. Issuer Risk:** In addition to market and price risk, value of an individual security can, in addition, be subject to factors unique or specific to the issuer, including but not limited to management malfeasance, lack of accounting transparency, management performance and management decision to take on financial leverage. Such risk can develop in an unpredictable fashion and can only be partially mitigated, and sometimes not at all, through research or due diligence. To the degree that the Fund is exposed to a security whose value declines due to issuer risk, the Fund's value may be impaired.

THE MUTUAL FUND IS NOT GUARANTEEING OR ASSURING ANY RETURNS

CHAPTER 1: PRELIMINARY

1.1 Publication of Prospectus for Public offering

Vanguard Asset Management Limited (VAML) has received the Asset Management License from the Bangladesh Securities Exchange Commission under the বাংলাদেশ সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন আইন, ১৯৯৩ and সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ made there under and also received consent for issuing prospectus for public offering. A Complete copy of the prospectus of the public offering is available for public inspection at Symphony (Level-6), Plot # SE(F) 9, Road – 142, Gulshan – 01, Dhaka – 1212, the asset manager of the Vanguard AML Growth Fund, hereinafter referred to as The Fund.

1.2 Consent of the Bangladesh Securities and Exchange Commission (BSEC)

“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, SPONOR AND/ OR CUSTODIAN”.

1.3 Listing of the Fund

The Fund, being an open- ended one, will not be listed with any stock exchange of the country. Hence the units of the Fund will not be traded in the stock exchanges unless otherwise BSEC and Stock Exchanges 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 or the units of the Fund. Units of the will always be available for sale and surrender/ repurchase except on the last working day of every week and during book closure period / record date of the Fund at the corporate office of Vanguard Asset Management and the authorized selling agents. Vanguard Asset Manager 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.

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

1.4 Availability of Documents for Inspection

- I. Copy of this prospectus will be available at the 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.secbd.org), and Vanguard Asset Management Limited (www.vanguardaml.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 Under Section 2CC of the Securities & 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 BDT 10.00 (Ten Taka) each within 90 (ninety) days from the date of sale of such Units;
4. Money receipt / acknowledge slip issued at the time of sale of units will be treated as allotment letter, which shall not be redeemable / transferable;

5. The Annual report of the Fund / or its abridged version will be published within 45 (forty five) days of the closure of each accounting year of the Fund;
6. An annual report and details of investment and savings of the Fund Shall be submitted to the commission, Trustee and Custodian of the Fund within 90 (ninety) days from the closure of the accounts;
7. Half yearly accounts/financial result of the Fund will be published in at least one English and another Bangla National daily newspapers within 30 (thirty) days from end of the period;
8. Dividend shall be paid within 45 (forty five) days of its declaration, and a report shall be submitted to BSEC Trustee and Custodian within 7 (seven) days of dividend distribution.
9. Net Asset value (NAV) of the Fund shall be calculated and disclosed publicly at least once a week;
10. The script- wise detail portfolio statement consisting of capital market and other than capital market holdings of the fund will be disclosed in the website of the AMC on quarterly basis within 30 (thirty) days of each quarter- end;
11. After initial public subscription, the sale and repurchase/ surrender price of Units will be determined by the Asset Manager Company. NAV at market price calculated on a date shall form the Sale price of units by rounding up the amount and shall be effective up to next calculation of NAV of the Fund. Difference between sale and repurchase price shall primarily be Tk. 0.30, which may be changed in future, but not be over 5% of the sale price of the unit. The Asset Manager may reduce the above difference for systematic Investment Plan (SIP) or any other ground with the approval of the trustee;
12. BSEC may appoint auditors for special audit / investigation on the affairs of the Fund, if it so desires;
13. The Fund shall maintain separate bank account(s) to keep the sale proceeds of Units and to meet up day to-day transaction including payment against repurchase of units. All transactions of the account shall be made through banking channel and shall be properly documented;
14. The prospectors/ 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;
15. If abridged version of the prospectus is published in the newspaper, complete prospectus shall be made available to the applicants;
16. If the Asset Manager fails to collect the minimum 40% of the initial target amount under বিধি ৪৮ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, will refund the subscription money within 30 days without any deduction. In case of failure, the Fund Manager will refund the same with an interest @ 18% per annum from its own account within the next month;
17. On achievement of 40% of the initial target amount, the Fund is allowed to transfer the money from Escrow Account to Operational Account and to commence investment activities of the Fund with permission of the Trustee;
18. The AMC should ensure compliance of বিধি ৪৬ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১;
19. The size of the Fund will be increased from time to time by the AMC Subject to approval of the trustee and with intimation to the Commission;
20. Confirmation of Unit Allocation of the sponsor's contribution amounting to Tk. 1,00,00,000/- (Tk. One crore) only shall be subject to a lock- in period of minimum three years from the date of formation of the Fund and after that period entire holding may be transferred to any eligible institution who has the qualification to be a sponsor of a mutual fund with prior permission of BSEC.
21. A confirmation of Unit Allocation amounting Tk. 1,00,00,000/- (Tk. One Core and 10% 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.

22. 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.
23. Subscription period of the Fund will be 45 (forty five) days which will be started on October 28, 2018 and be ended December 11, 2018 as বিধি of ৪৭ সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.

Please ensure that the following are adhered to:

PART-B

1. As per provisions contained in the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, regarding limitation of time on closure of subscription, the initial public subscription will remain open for 45 (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 hours of publication thereof;
3. The Asset Management company shall submit 10 (ten) copies of printed prospectus to the Commission for official record;
4. The Asset Management Company shall ensure in writing to the commission that the prospectus/ 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 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. 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 the Chief Executive Officer and the Committee separately and also the meeting resolution presentation process.
11. 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 Vanguard Asset Management Limited based on the Trust Deed executed between the Trustee and the Sponsor of the Fund, which is approved by the Commission and available publicly. The information contained herein is true and correct in all material aspects and there are no other material facts, the commission of which would make any statement herein misleading.
- 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 Vanguard Asset Management Limited.

- 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

Sale and repurchase of Units of Vanguard AML Growth Fund will commence at the counter of Vanguard Asset Management Company Ltd. Symphony (Level # 06) Plot # SE (F) 9, Road # 142 South Avenue, Gulshan-1, Dhaka – 1212, Bangladesh and designated Selling Agent(s) Branch Offices at the opening of banking business hours and continue until winding up of the Fund except book closure period as per Rules.

Vanguard AML will maintain two separate BO Accounts with Investment Corporation of Bangladesh, custodian of Vanguard AML Growth Fund for creation and redemption of units namely **“Vanguard AML Growth Fund - Sale of units”** and **“Vanguard AML Growth Fund – Repurchase of units”** respectively.

For sale of units, Vanguard AML will issue a certificate for the units sold and send it to custodian for setting up of demat request. After the acceptance of demat setup by Vanguard AML from its terminal, units will be credited to the BO Account of **“Vanguard AML Growth Fund - Sale of units”**. Then custodian will transfer the units from **“Vanguard AML Growth Fund - Sale of units”** to the unit holders' BO Accounts as per instruction of Vanguard 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 **“Vanguard AML Growth Fund– Repurchase of units”**. Custodian will debit the units from the investor's BO Accounts and transfer it to the **“Vanguard AML Growth Fund – Repurchase of units”**. Simultaneously, the payment will be made through A/C payee Cheque or funds will be transferred to investor's Bank Account through BEFTN as per the request of the client.

1.8 Systematic Investment Plan (SIP)

A Systematic Investment Plan or SIP is a smart and hassle free 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 in 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, quarterly, yearly etc.). 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 two (2) years, 1% discount from the “Investor's sale / surrender price” may be applicable on total accumulated invested amount 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 such as:

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

- ❖ **Flexibility:** Investor can start SIP with a very small amount that is 1,000/2,000/3,000/4,000/5,000 or multiple of 500 / 1000. One can also increase/ decrease the amount being to be invested in regular fashion.

- ❖ **Flexible SIP Tenor:** The SIP will be offered for at least 2 years or any other higher period set by the AMC. However, investor can set SIP scheme for 3 years / 5 years / 7 years / 10 years. After this period, the individual scheme will be matured and may surrender or continue after maturity. If surrendered, no fees /charges may be charged on surrender **and may also offer highest premium over the declared surrendered price at that time.**
- ❖ **No Minimum lot size:** There will be no minimum lot size under the SIP as like normal investors. Based on a discount from declared sales price per unit available, units will be credited to investor's 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.
- ❖ **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 repurchase price offered to normal unit holders at maturity as per SIP brochure.
- ❖ **CIP option for the SIP investors:** SIP investors can choose either option of cash dividend or cumulative investment plan (CIP) or mix of both. If a SIP investor chooses CIP (i.e. Dividend reinvestment process) instead of cash dividend, they may also enjoy CIP units at a discount of prevailing "Investor's Buy Price" used for CIP conversion. After CIP conversion, they will get dividend on total number of units in the next year.

DETAILED OF SIP SCHEME, SCHEME INFORMATION 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 “Vanguard AML Growth Fund”, accepts 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 the knowledge and belief of the Sponsor, who has taken all reasonable care to ensure that all the conditions and requirements concerning this public offer and all information contained in this document, drawn up by virtue of the Trust Deed of the Fund by the entrusted Asset Management Company, have been met and there is no other information or documents, the omission of which may make any information or statements therein misleading.

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/-

(Waqar Ahmad Choudhury)

Managing Director & Chief Executive Officer
Vanguard Asset Management Limited

Declarations about the Responsibility of the Trustee

We, as the Trustee of the Vanguard AML Growth 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 & the Trust Deed;
- II. always act in the interest of the unit holders;
- III. take all reasonable care to ensure that the Fund floated and managed by the Asset Management Company are in accordance with the Trust Deed and the Rules;
- IV. make such disclosures by the Asset Management Company to the investors as are essential in order to keep them informed about any information, which may have any bearing on their investments; and
- V. take such remedial steps as are necessary to rectify the situation where we have reason to believe that the conduct of business of the Fund is not in conformity with the relevant Rules.

Sd/-

(Md. Taleb Hossain)

Deputy General Manager
Trustee Division
Investment Corporation of Bangladesh

Declarations about the Responsibility of the Custodian

We, as the Custodian of the Vanguard AML Growth Fund accept the responsibility and confirm that we shall:

- I. keep all the securities (both listed and non-listed) of the Fund including FDR receipts in safe and separate custody as per সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, and shall provide the highest security for the assets of the Fund;
- II. preserve necessary documents and record so as to ascertain movement of assets of the Fund as per rules;
- III. 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;
- IV. abide by the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, and conditions imposed by the Commission as regards of the fund; and
- V. act to our best for the benefit and sole interests of the unit-holders of the fund.

Sd/-

(Md. Taleb Hossain)

Deputy General Manager

Trustee Division

Investment Corporation of Bangladesh

Declaration about the Responsibility of the Asset Manager

We, as the Asset Manager of Vanguard AML Growth Fund, accept the responsibility and confirm that:

This Prospectus has been prepared by us based on the Trust Deed, the Investment Management Agreement, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, ডিপজিটরি আইন, ১৯৯৯ and other related documents as relevant for adequate disclosure of the Fund's objectives and investment strategies to the investors. We also confirm that:

- I. The prospectus is in conformity with the documents, materials and papers related to the issue;
- II. All the legal requirements of the 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 mutual 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 mutual fund. Investors are requested to pay careful attention to the risk factors as detailed in the 'Risk Factor' section of the Prospectus and to take proper cognizance of the risks associated with any investment in the Fund.

Sd/-

(Waqar Ahmad Choudhury)

Managing Director & Chief Executive Officer

Vanguard Asset Management Limited

1.10 Due Diligence Certificate

Due Diligence Certificate by the Sponsor

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

To
The Honorable Chairman
Bangladesh Securities & Exchange Commission

Subject: Vanguard AML Growth Fund

We, the Sponsor of the above-mentioned forth coming mutual fund, state as follows:

1. We, as the Sponsor of the above-mentioned mutual fund, have examined the 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 & 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 the Bangladesh Securities & Exchange Commission from time to time in this respect.

WE CONFIRM THAT:

- a) All information in the 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 mutual fund; and
- d) We shall act to our best for the benefit and interests of the unit-holders of the mutual fund.

For the Sponsor,

Sd/-
(Waqar Ahmad Choudhury)
Managing Director & Chief Executive Officer
Vanguard Asset Management Limited

Due Diligence Certificate by the Trustee

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

To
The Honorable Chairman
Bangladesh Securities & Exchange Commission

Subject: Vanguard AML Growth Fund

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

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

WE CONFIRM THAT:

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

For Trustee

Sd/-
(Md. Taleb Hossain)
Deputy General Manager
Trustee Division
Investment Corporation of Bangladesh

Due Diligence Certificate by the Custodian

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

To
The Honorable Chairman
Bangladesh Securities & Exchange Commission

Subject: Vanguard AML Growth Fund

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

We, while act as custodian to the above mentioned fund on behalf of the investors, shall comply with the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, ডিপজিটরি আইন, ১৯৯৯, ডিপজিটরি প্রবিধানমালা, ২০০০, ডিপজিটরি (ব্যবহারিক) প্রবিধানমালা, ২০০৩, 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:

- We will keep all the securities (both listed and unlisted) and Assets of the "Vanguard AML Growth 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;
- We shall act as custodian of the fund as mentioned above as per provisions of the custodian agreement executed with the asset management company and shall assume the duties and responsibilities as described in the trust deed of the mentioned fund and other constitutive documents;
- We shall also abide by the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, and conditions imposed by the Commission as regards of the fund; and
- We shall act to our best for the benefit and sole interests of the unit holders of the fund;

For Custodian

Sd/-
(Md. Taleb Hossain)
Deputy General Manager
Trustee Division
Investment Corporation of Bangladesh

Due Diligence Certificate by the Asset Manager

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

To
The Honorable Chairman
Bangladesh Securities & Exchange Commission

Subject: Vanguard AML Growth Fund

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

1. We, as the Asset Manager of the above-mentioned mutual fund, declare and certify that the information provided in the prospectus, is complete and true in all aspects;
2. We further certify that we shall inform the Bangladesh Securities & 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 & Exchange Commission (Public Issue) Rules, 2015, Trust Deed of the mutual fund, Dhaka Stock Exchange (Listing) Regulations, 2015, Chittagong Stock Exchange Commission (Listing) Regulations, 2015, Trust Deed of the Fund and the Rules, orders, guidelines, directives, notifications and circulars that may be issued by the Bangladesh Securities & Exchange Commission from time to time in this respect.

WE CONFIRM THAT:

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

For the Asset Manager,

Sd/-
(Waqar Ahmad Choudhury)
Managing Director & Chief Executive Officer
Vanguard Asset Management Limited

CHAPTER 2: BACKGROUND

2.1 Preamble to the formation of Vanguard AML Growth Fund

Mutual Fund is an investment tool that collects pool of fund from individual and institutional investors with a view to investing the fund in securities like stocks, bonds, money market instruments and other securities. Mutual funds are the most cost effective way to diversify the investment portfolio across different asset categories. Open-ended mutual fund is widely popular throughout the world among all kinds of investors. Globally at present, most of the mutual funds are open-ended ones. Moreover, mutual funds offer professional money management expertise at a reasonable cost. Especially in a developing country like Bangladesh where mass people are ignorant about investment management strategies, importance of such professional management services are beyond question.

The origin of mutual funds are often cited to be traced in Europe back in 19th century. By the time mutual fund industry grew enormously with innovation of different investment strategies catering the need of different types of investors.

In Bangladesh, Mutual fund was first introduced by Investment Corporation of Bangladesh (ICB), a public sector financial institution, in 1980. Later on, private companies started to enter the industry in 2000. There are only 37 close end mutual funds and 38 open end mutual funds in Bangladesh and total AUM is approximately BDT 100 bn as on June 2018, while in India Asset under Management is approximately INR 22,860 bn (BDT 27,889) as on 30th June 2018.

Recognizing the huge untapped market potential of mutual fund industry in Bangladesh and the need to offer a reliable solution for investment to the general people, Vanguard Asset Management Limited has decided to sponsor an open-end mutual fund namely "Vanguard AML Growth Fund" which will be managed by Vanguard Asset Management Limited. Investment Corporation of Bangladesh (ICB) will act as the trustee and custodian of the Fund.

2.2 Necessity of Unit Fund in the Context of the Current State of Affairs of the Capital Market of Bangladesh

The capital market of Bangladesh is still in a nascent stage which portrays both opportunities and challenges. Though stock exchanges were formally established as early as 1954, activities remained very low until 1990s. Market experienced both bubble and burst during its journey of around six decades. Though over the years the capital market is transforming into a more structured and regulated form, it is still lagging behind in terms of number of stocks listed, asset classes available for investment etc. In emerging markets like Bangladesh where mass people lack the knowledge of proper investment decision, the scope of mutual fund industry, that offers professionally managed investment management service, is very bright. The mutual fund industry of Bangladesh is still very small compared to other countries.

The global Asset under Management (AUM) stood at USD 69.1 trillion in 2016. Mature economies like United States and United Kingdom have developed a high AUM/GDP ratio over the years around 99.18% and 47.26% respectively. In regional counterparts, like India and China, this ratios are 10.73% and 11.54% respectively. The AUM/ GDP ratio is only 0.48% in Bangladesh.

It can be said that in course of time mutual fund will play a vital role in our capital market because of its inherent strength of being a professionally managed investment vehicle and the small individual investors will gradually go under the umbrella of professional fund managers like those other emerging market.

Furthermore, the BSEC and other market regulators and industry veterans view responsible expansion of the mutual fund industry as a key driver for further development of the capital market in Bangladesh.

2.3 Advantages of Investing in Vanguard AML Growth Fund

A mutual fund's portfolio is structured and maintained to match the investment objectives stated in its trust deed and prospectus. The portfolio managers apply their investment management skills and necessary research works to ensure secured return of investors' investment. In this perspective, investment in mutual funds provides certain incremental advantages when compared to investment made directly in individual securities in the capital market. Highlighted below are some of the advantages that investors may benefit from when investing in "Vanguard AML Growth Fund":

- I. Vanguard Asset Management Limited through its proper corporate governance culture will ensure proper compliance with সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, under all circumstances.
- II. Vanguard AML Growth Fund will ensure a proper mix of equity and debt instruments according to different investment scenario in market with a view to ensure stable current income as well as capital appreciation in the long term.
- III. The fund will maintain a diversified portfolio through adequate professional knowledge which will reduce individual investment risk that would have been otherwise difficult through direct investment.
- IV. Experienced professional management will help identify and secure potential investment opportunities.
- V. The unit holders can surrender their unit certificates enable them to enjoy liquidity of their investment as well as to realize appreciation available as a result of improving the NAV of the Fund.
- VI. The fund will offer minimum 50% of annual realized profit as cash dividend on regular basis. However, investors will have the discretion of choosing between cashing out the dividend and reinvesting the dividend through purchasing new units.
- VII. Mutual funds generally lower investment risks for small and retail investors through diversification into multiple sectors, companies, securities, and via investing in various asset classes. The fund manager will attempt to maximize return for a given level of risk and always conduct a balance in its risk-return tradeoff.
- VIII. Investors can hold larger number of securities through holding a single unit of the fund without having to incur high transaction cost like brokerage fee.
- IX. Greater participation of mutual funds will add to enhanced liquidity to the overall market and, since most mutual funds are long term investment vehicles, this will create price stability and better price discovery and reduce short term volatility in the market.
- X. Income from a mutual fund or a unit fund up to BDT 25,000.00 (Twenty Five Thousand Taka only) is exempted from tax as per clause 22A of 6th Schedule (Part A) under Income Tax Ordinance, 1984.
- XI. According to the Section 44(2)(c) under Income Tax Ordinance, 1984, the amount of allowable investment is actual investment or 25% of total taxable income or BDT 1,50,00,000.00 (Taka One crore & Fifty Lac only), whichever is lower.
- XII. Dividend income from this Fund will be tax free up to BDT 25,000.00 (Twenty Five Thousand Taka) as permitted by the Finance Act.
- XIII. As open-end fund is not traded in the secondary market, its price will not be subjected to the interaction of demand and supply. As sales and repurchase price will be calculated based on Net Asset Value (NAV) as prescribed in সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, the price of the fund will be more stable than that of other securities traded in secondary market.
- XIV. Management and operations of mutual funds are subject to strict regulations from the BSEC and the Sponsor appointed Trustee, both of whom closely monitor the performance of the funds. The laws governing mutual funds require exhaustive disclosure to the regulator and general public.
- XV. Auditor of the fund appoints by Trustee and qualified the accounts under rules of BSEC; comply with BASs, BSA, ISA accepted by ICAB. Auditor of the fund shall be different from the auditor of the AMC.
- XVI. The AMC shall furnish reports at regular interval (i.e. daily, weekly, fortnightly, monthly, quarterly, half-yearly, yearly) to BSEC and as called upon to do so by the BSEC.

CHAPTER 3: VANGUARD AML GROWTH FUND

3.1 Formation of the Fund

The Trust Deed of the Fund was registered on July 09, 2018 under the Trust Act, 1882 and Registration Act, 1908 through a Trust Deed entered into between Vanguard Asset Management Ltd. and Investment Corporation of Bangladesh (ICB). The Fund was registered by the BSEC on July 24, 2018 under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১

3.2 Life of the Fund

The Fund will be an open-end mutual fund with a perpetual life established to broaden the base of investment and develop the capital market. Institutional (local and foreign) and individual investors (resident and non-resident) are eligible to invest in this Fund.

3.3 Size, Face Value and Denomination

- ☐ The initial target size of the Fund will be BDT 10,00,00,000.00 (Ten Crore Taka only) divided into 1,00,00,000 (One Crore) units of BDT 10.00 (Ten Taka only) 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.
- ☐ Face value of each Unit will be BDT 10.00 (Ten Taka only).
- ☐ Initially, unit holders of the Fund shall be issued with a Confirmation of Unit Allocation letter by the Asset Manager at the cost of the Fund in any denomination but not less than 100 (One hundred) units for individuals and 2,500 (Two Thousand and Five Hundred) for institutions.

3.4 Investment Objective

The objective of the Fund is to achieve superior risk adjusted return in forms of capital appreciation and dividend income. It will also help to develop and maintain capital market stability. Moreover, the fund will provide attractive dividend to the unit holders by investing the proceeds in the capital market and capital appreciation of their investment.

3.5 Investment Policies

1. The Fund shall invest subject to the বিধিমালা and only in those securities, deposits and investments approved by the Bangladesh Securities and Exchange Commission and/or any other competent authority in this regards.
2. Not less than 60% of the total assets of the Scheme of the Fund shall be invested in capital market instruments out of which at least 50% shall be invested in listed securities.
3. Not more than 25% of the total asset of the Scheme of the Fund shall be invested in Fixed Income Securities (FIS).
4. Not more than 15% of the total asset of the Scheme of the Fund shall be invested in pre-IPOs at one time.
5. All money collected under the Fund shall be invested only in cashable/transferable instruments, securities whether in money market or capital market or private place pre-IPO equity, preference shares, debentures or securitized debts.
6. The Fund shall get the securities purchased or transferred in the name of the Fund.
7. Only the Asset Management Company will make the investment decisions and place orders for securities to be purchased or sold for the Fund.

8. The Asset Management Company shall choose broker(s) for the purchase and sale of securities for the fund's portfolio;
9. Settlement of transaction will take place as per the বিধিমালা and practice of the relevant laws.
10. The fund shall follow the investment objectives and investment restrictions as per the বিধিমালা. However, the AMC shall follow the guidance for investment selections within the বিধিমালা.
11. The Asset Management Company will make the investment decisions based on best judgment supported by documents and analysis wherever possible;
12. The Fund shall get the securities purchased or transferred in the name of the Fund;

3.6 Investment Restriction

1. The Fund shall not invest more than 10% of its total assets in any one particular company.
2. The Fund shall not invest more than 15% of any company's paid up capital.
3. The Fund shall not invest more than 20% of its total assets in shares, debentures or other securities of a single company or group.
4. The Fund shall not invest more than 25% of its total assets in shares, debentures or other securities in any one industry.
5. The Fund shall not invest in or lend to any scheme under the same Asset Management Company.
6. 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;
7. 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.
8. 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 respect settlement dates as per the custom and practice of the stock exchanges and shall in no case put itself in a position whereby it has to make short sale or carry forward transaction.
9. The Fund shall not involve in option trading or short selling or carry forward transaction.
10. The Fund shall not buy its own unit;

3.7 Valuation policy

The Fund intends to determine its NAV per unit on the last business day of each week by dividing the value of the net asset of the Fund (the value of total assets less total liabilities as per বিধি ৬০ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, by the total number of units outstanding. As per বিধি ৫৮ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, the valuation policy of investment of the Fund need to be approved by the Commission in the Trust Deed as follows:

1. For listed securities, the average quoted market price on the stock exchanges on the date of valuation shall form the basis of any calculation of Net Asset Value of such securities in the portfolio of the Fund;
2. For securitized debts, debentures, margin or fixed deposits, the accrued interest on such instruments on the date of valuation shall be taken into account in any calculation of Net Asset Value of such securities in the portfolio of the Fund;
3. When the securities were not traded either at DSE or CSE on the particular valuing date, immediate previous average price, which one is nearer, but not longer than 30 days, to the valuing date will be taken into account;

4. When securities were not traded either at DSE or CSE for a period for over 30 days, the Fund shall follow the method approved by the Commission for valuation of the non-traded investment and the Trustee shall periodically review the value of such investments;
5. The valuation of non-traded securities will be made with 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 Mutual Fund but shall not be more than the intrinsic value of the securities;
6. The fund shall fix the valuation method for the Scheme subject to the prior approval of the Commission.
7. The Fund shall follow the method approve by the Commission for valuation of the non-listed investment, if any, and the Trustee shall periodically review the value of such investments. The auditors shall comment in the annual report of the Scheme of the Fund;
8. The valuation of listed securities not traded within previous one month will be made based on their reasonable value by the Asset Management Company and approved by the trustee and commented upon by the auditors in the Annual Report of the fund but shall not be more than the intrinsic value of the securities;
9. The valuation of non-listed securities will be made by the Asset Management Company with their reasonable value and approved by the Trustee and commented upon by the Auditors in the annual report of the Fund;
10. Once non-listed securities are valued, the valued amount will be considered for purpose of valuing the Fund's assets in any interval of time until the securities are further revalued by the Asset Management Company;
11. The Asset Management Company and the Trustee will value the non-listed securities at least after every three months;
12. The income accrued on any instruments on the date of valuation shall be taken into account in any calculation of Net Asset Value of such securities in the portfolio of the Fund;
13. In the event any holding exceed the limits laid down in the Offer Document or in the বিধিমালা for acquisition of bonus shares, subscription of right shares of through any disinvestments, the Asset Management Company shall make its best endeavors to bring the exposure within the prescribed limits within six months of the event but in any case the Asset Management Company shall not invest further in such securities or sectors while the deviation continues.
14. In case of deferred expenses, accrued expenses for the period will be taken into account for determining total liabilities.

3.8 Net Asset Value (NAV) calculation:

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

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

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

$$V_A = \text{Value of all securities in vault} + \text{Value of all securities placed in lien} + \text{Cash in hand and at bank} + \text{Value of all securities receivables} + \text{Receivables of proceeds of sale of investments} + \text{Dividend receivables net of tax} + \text{Interest receivables net of tax} + \text{Issue and formation expenses not amortized as on date} + \text{Printing, publication and stationery expenses not amortized as on date}$$

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

3.9 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 fees as per the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১
- III. The initial issue and formation expenses in respect of the Fund shall not exceed 5% of the initial collected amount or any ceiling as determined by the AMC which is approved by the Commission and the Trustee. The issue and formation expenses will be amortized over a period of 7 (seven) years on a straight line method.
- IV. In addition to the fees mentioned herein above, the Asset Management Company may charge the Scheme of the Fund with the following recurring expenses, namely:
 - a. Marketing and selling expenses including commissions of the selling agents, if any;
 - b. Brokerage and Transaction costs;
 - c. Cost of registrar services for transfer of securities sold or redeemed;
 - d. Trusteeship fees;
 - e. Custodian fees;
 - f. Dematerialization fees and others (if any);
 - g. Re-registration fees (if any);
 - h. Relevant expenditure for calling meeting by the trustee committee; and
 - i. Other expenses applicable to the Mutual Fund.
- V. 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 Vanguard AML Growth Fund.

3.10 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 asset manager shall calculate the Net Asset Value (NAV) per unit on the last working day of every week as per formula prescribed in the বিধিমালা and shall disclose sales price and repurchase / surrender price per unit determined on the basis of NAV before commencement of business operation of the first working day of the following week to the Commission and to the investors through at least one national daily newspaper, the website of the asset management company and the authorized selling agents of the Fund (if any) In case of holidays, the Asset Management Company shall notify the same on the next working day.

The difference between sales price and repurchase price shall primarily be Tk. 0.30 (Paisa thirty) which may be changed in future, but shall not be more than 5.0% of the sales price per unit, with the approval of trustee.

3.11 Sale & Repurchase Procedure

- I. The Units of Vanguard AML Growth Fund may be bought / surrendered through Vanguard Asset Management Limited and authorized selling agents appointed by the Asset Manager from time to time and any other procedure as prescribed by the Asset Manager. Surrender of units is allowed only through Vanguard Asset Management Ltd. or the selling agents from which the units are originally purchased.
- II. Minimum purchase amount during initial public subscription is –
 - ❖ For individual investors: BDT 1,000.00 (One Thousand Taka) against 100 units
 - ❖ For institutional investors: BDT 25,000.00 (Twenty Five Thousand Taka) against 2500 units

- III. Application for purchase of units should be accompanied by an account payee cheque/pay order/bank draft/BEFTN or any other process as approved by regulatory authority in favor of 'Vanguard AML Growth Fund' for the total value of units.
- IV. After clearance / encashment of the cheque / pay order / bank draft BEFTN or any other process as approved by regulatory authority, the applicant will be issued with a "Confirmation of Unit Allocation" against every purchase of units he / she / the institutional investor apply for; the units will also be delivered to the Unit holder's respective BO A/C.
- V. After receiving the surrender application form at the AMC's office, the client will be paid within 5 (Five) working days through account payee cheque / BEFTN upon 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 100 (One Hundred) units for individuals and 2,500 (Two Thousand Five Hundred) 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 / its unit holding.
- VII. All payments / receipts in connection with or arising out of transactions in the Units shall be in Bangladeshi Taka.
- VIII. The redemption shall be made on first come first serve basis. If the redemption request on a particular day exceeds 1% of the outstanding unit, the Asset Manager may differ, if required, the redemption request over 1% for a maximum period of 7 (seven) working days. The Asset Manager shall proceed to sell adequate assets and / or arrange loan as it deems fit to pay the surrender money within the stipulated time in the best interest of the unit-holders.

3.12 Winding up Policy

3.12.1 Procedure of Winding Up

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

3.12.2 Manner of Winding Up

- i. The Trustee shall call a meeting within 30 (thirty) days from the notice date of the unit holders of a Scheme to consider and pass necessary resolutions by three-fourth majority of the unit holders present and voting at the meeting for authorizing the Trustee to take steps for winding up of the Scheme. If it fails to have three-fourth majority mandate, the Commission shall have the power to supersede the mandate if situation demands such.
- ii. The Trustee shall dispose of the assets of the Scheme of the Fund in the best interest of the unit holders. Provided that the proceeds of sale made in pursuance of the 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 unit holders in proportion to their respective interest in the assets of the Scheme as on the date when the decision for winding up was taken.

- iii. Within 30 (thirty) days from the completion of the winding up, the Trustee shall forward to the Commission and the unit holders a report on the winding up containing particulars, such as circumstances leading to the winding up, the steps taken for disposal of assets of the Scheme before winding up, expenses of the Fund for winding up, net assets available for distribution to the unit holders and a certificate from the auditors of the Scheme of the Fund.

3.12.3 Effect of Winding Up

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

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

3.13 Dividend Policy

- i. The accounting year of the Fund shall be April 01 to March 31;
- ii. Being a "Growth Fund" in nature, the Fund shall distribute minimum 50%, or as may be determined by the বিনিয়োগ from time to time, of the annual net income of the Fund as dividend at the end of each accounting period after making provision for bad and doubtful investments. The Fund shall create a dividend equalization reserve by appropriation from the income of the Scheme. The dividend can be in the form of cash and/or reinvestment unit or both the option.
- iii. Before declaration of dividend the Asset Management Company shall make a provision in consultation with the Auditors if market value of investments goes below the acquisition cost and the method of calculation of this provision will be incorporated in the notes of accounts;
- iv. Surpluses arising simply from the valuation of investments shall not be available for dividend;
- v. Dividend warrants will be dispatched within 45 days from the declaration of such dividends;
- vi. There shall be a Cumulative Investment Plan (CIP) scheme in this Fund. Under this Scheme a unit holder instead of receiving dividend may re-invest such dividend income accrued for purchasing Unit as determine by the Asset Management Company and subject to requested of the unit holder.

CHAPTER 4: INVESTMENT MANAGEMENT PROCESS

4.1 Asset Manager of The Fund

Vanguard Asset Management Limited (VAML) obtained the Asset Management Company (AMC) license from Bangladesh Securities and Exchange Commission (BSEC), regulator of the country's capital market on April 28, 2013 with a view to implementing stipulated investment objectives.

VAML manage funds across the entire risk-return continuum. These include equity funds, balanced funds and debt and money market oriented funds. VAML provide investment management, risk management to institutional, intermediary and individual investors. VAML aim to sustain that position through achieving long-term investment performance in line with our clients' needs and providing superior client relationship management.

VAML's core strength stems not only from its secure system and processes, but from the quality of its intellectual capital, which derives from the best and professional minds. At the same time there is a robust risk management framework with in-built controls and balances. We make investments, directly and indirectly through funds that we manage in stock market, debt securities as well as public and private equities. Our professional team's research oriented methodology imbues them with the right knowledge to identify the best investment opportunities in Bangladesh for the benefit of the investors.

We are committed to extensive research and process driven approach to investment management. Our services include institutional portfolio management. By developing and deploying integrated investment strategies we enable our investors to manage risk and navigate constantly challenging and changing markets.

Our logo represents our aspiration toward the highest standard of expertise as well as our dedicated transaction services to high-net-worth individuals and families.

4.2 Investment Objective

Our investment objective is to provide superior risk adjusted returns over a medium to long term by investing in strong companies, with good management and at a great price by leveraging our time tested investment process. The investment specialists seek to provide consistent out-performance over time to its investors with a strong attention to risk management. We believe our investment process, grounded in the importance of fundamental research, allows our experienced investment professionals to identify quality growth opportunities in the capital markets.

4.3 Investment Philosophy

At the core of Investment Philosophy is a set of fundamental investment beliefs which are the underpinnings of all investment policies of the fund.

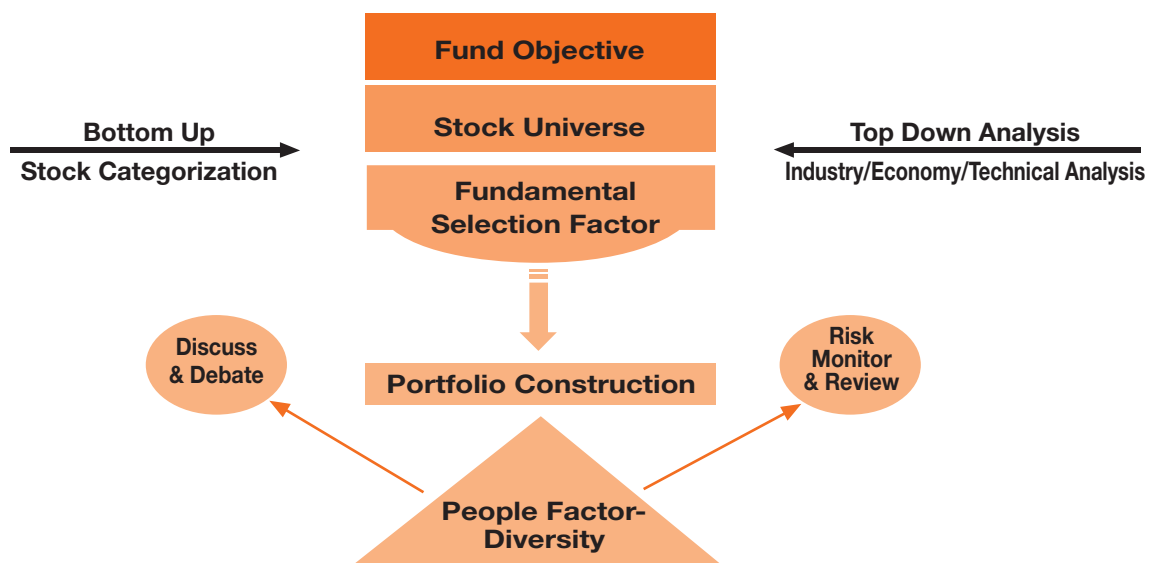
- ◆ **Investment premises:** The Core investment premise of the Fund is the Capital Market that is not completely efficient. A well-organized and thorough research effort combined with a disciplined portfolio management approach will enable outperformance of the market index over time and most importantly applying a robust investment process that include relevant macro-economic trends, sector drivers, quality of the issuer, a disciplined risk management process and effective capital allocation.
- ◆ **Tailor Made Solution:** Fund manager needs to create benefits for the fund with its own expertise in financial specialties. Fund will be managed by experts in line with investment objectives and risk constraints which clearly defined and proven processes, ensuring fund's mandate is being implemented proficiently. For all the solutions, this Investment Philosophy focuses on performance, risk management, and ethical standards.

4.4 Investment Process

At Vanguard AML Growth Fund, our emphasis is on delivering superior long-term risk-adjusted performance. And so we follow a disciplined approach to investment and risk management. Our investment process comprises three main steps to investing: Generation of Ideas, Evaluation of companies and Manufacturing and Monitoring of portfolios. A robust monitoring and risk management process ensures checks and balances at every stage. Here is what happens through every step of the investment process:

- ◆ **Generation of ideas:** Analysts and portfolio managers actively identify new ideas. For equity investing, the search spectrum includes investment team meetings, meetings with a company's management, competitors, suppliers, industry experts, regulators, external research and reports. And for fixed income investment, investment ideas are born out of team strategy meetings, in-depth interaction with issuers and market participants, macro analysis and internal and external research ideas.
- ◆ **Evaluation of companies:** Filters such as liquidity, market capitalization ownership and other parameters help identify opportunities, which are then thoroughly evaluated for profitability, business attractiveness, competitive positioning, balance sheet strength, management track record, corporate governance and valuations for equities. Thorough credit or issuer analysis and macro analysis underpins the evaluation framework for identifying issuers and instruments for fixed income portfolios.
- ◆ **Developing or Monitoring of portfolios:** Among all the ideas that are generated and evaluated, the fund manager picks those that have the most potential. Portfolios are monitored continuously to ensure that they are positioned to meet their investment objectives and are within the set risk framework. A fund manager may decide to exit a holding on achieving the price target or for other reasons such as weakened business prospects or credit, or if better investment opportunities wait in the wings.

Our investment process has been developed consistent with our investment objectives and investment philosophy. The key elements of our process are as follows:



- Top down and bottom up -** Our investment portfolios are constructed employing our proprietary methodology of a top-down overlay of the economy, sector and markets risks and bottom-up rigorous fundamental analysis. Our Research team focuses on understanding individual companies as businesses rather than simply as stocks by conducting independent research. Our top down and bottom up investment approach is further enhanced by our proprietary technical trading platform. We combine time-tested investment specialization, industry knowledge and active risk management to seek investment opportunities that we believe will be promising over time. We do not restrict our analysis to the traditional framework of industry buckets. Instead, we employ a truly comprehensive process that aims to identify the best performing companies in a given industry. As investment managers, our mission is to take advantage of these opportunities while effectively managing and diversifying the risks-on behalf of our clients. Our investment process is a marriage of traditional fundamental security valuation and proprietary quantitative risk-control techniques.

- II. Risk management** - The investment portfolio is actively monitored on a regular basis and re-balanced as required. While we pride ourselves on taking a long-term approach to investing our client assets, our process is fluid and dynamic. Our portfolios are constantly monitored using and strictly adhering to our research and analysis driven process. While we do not have a mechanical sell discipline, we will typically either eliminate or trim positions when they no longer meet our three critical factors as stated in our investment objectives. Moreover, we perform a rigorous review on any investment that declines materially in price. Importantly, our emphasis upon downside protection leads us to investments in companies with attractive valuations. We believe this emphasis limits our loss potential should the catalyst not materialize. We embrace the notion that security prices must follow company fundamentals. Simply put, a stock's weight in a portfolio should be directly related to its qualitative and quantitative value, rather than its weight in an index. However, stock price/valuation and liquidity is equally important. We attempt to build downside protection into our process by evaluating and quantifying the risks versus the reward opportunity of every investment in the portfolio. This is achieved by analyzing: free cash flow; the intrinsic or asset value of the company; price-to-sales and/or price-to-tangible book value. This analysis helps us to assess downside risk should unexpected adverse events unfold.
- III. Valuation process** - Our corporate finance approach and cash flow focus helps us better identify potential investments. Our analysis will often include breaking down a company's financial results by business segment to determine a valuation for the whole business. Importantly, our valuation analysis focuses upon absolute valuations, rather than relative valuations; we believe this process focus helps to limit losses and downside risk. Qualitative measures and quantitative measures assist us in determining attractive investments. While evaluating management strength and changes within a company's business are examples of qualitative measures, quantitative measures may include various financial ratios including price-to-cash flow, price-to-sales and price-to-book analysis. All of these elements contribute to assist us in determining the appropriate valuation for an investment and its respective return expectations.
- IV. Forward looking analysis** - We do not believe that investing after positive or negative news is an investment discipline. Rather, we seek to uncover the factors that will drive business improvement three months to a year in advance and take positions accordingly. So that, portfolios can fully benefit when these inflection points and catalysts emerge and are recognized. The ingredients for change can come in many forms. For example, there are company specific catalysts, i.e. a new management team, a shift in business strategy, or a restructuring to "unleash" hidden assets. Change can also come from an improving outlook for an entire industry or a changed regulatory framework. We pride our self upon our ability to think independently and identify unique opportunities.

4.5 Investment Committee (IC)

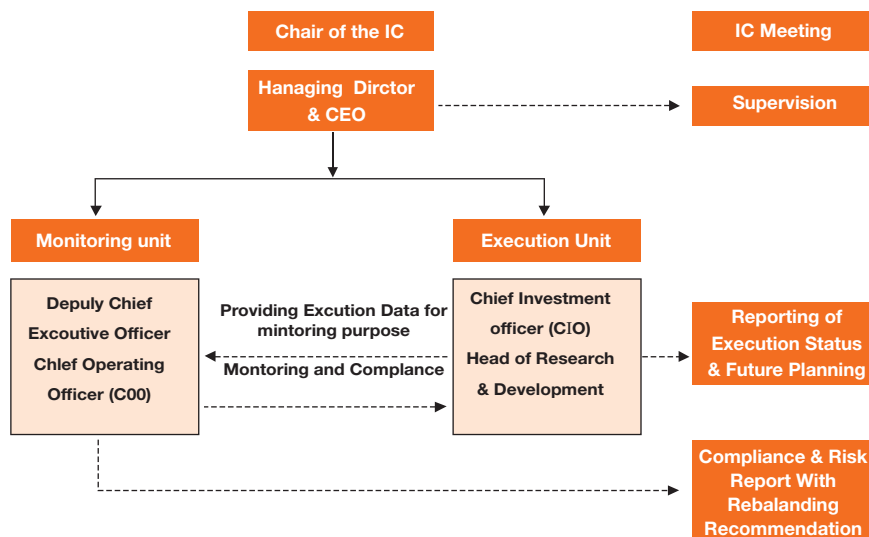
Investment Committee (IC) assume full authority and responsibility for investment of all assets of the Fund and delegate to the Working Committee (WC) the authority necessary to manage the investment of such assets and ensure that the policies of the Fund are executed appropriately within the guideline of BSEC and the parameters set in this IPS. The Investment Committee (IC), as the utmost decision making body, shall establish such policies and review the evaluation of performance. IC will comprise of representatives from different departments of Vanguard AML. They are responsible for the oversight of all investment accounts and publicly traded assets as well as private equity and other illiquid assets or the money market pool to striving maximizing portfolio performance within the bounds of good corporate practice and satisfy of the compliance requirements of the BSEC. They shall act solely in the best interest of the Fund and in concert with the mission of the Company. The committee shall be comprises of the followings:

- ❖ Managing Director & Chief Executive Officer (MD & CEO)
- ❖ Deputy Chief Executive Officer (DCEO)
- ❖ Chief Operating Officer (COO)
- ❖ Chief Investment Officer (CIO)
- ❖ Head of Research & Development

Managing Director & Chief Executive Officer (CEO) will be heading the IC and have full authority for investment and exit decision within the frame work of Mutual Fund Rules, 2001 and parameters set in the Investment Policy and approved by the Board of Directors (BoD) of Vanguard AML. Anything outside the parameters of this Investment Policy should be informed to the BoD by the Head of IC. IC members shall meet more frequently when necessary. IC shall review the present and future economic condition from the research report and regular updates from Working Committee (WC), and will take investment decision. IC shall deliberate and resolve the following matters in connection with investment:

- ❖ Developing investment objectives, asset allocation strategies and performance guidelines.
- ❖ Short, mid and long-term investment policies of the Fund and amend it time to time as necessary.
- ❖ Develop and maintain investment guidelines and performance criteria for each investment along with entrustment of each asset class.
- ❖ Determine the Fund's risk tolerance and investment horizon and communicate such to the WC as risk management policies of the fund.
- ❖ Evaluate investment performance.
- ❖ Oversee the Working Committee (WC)
- ❖ Monitoring Fund cash flow, liquidity and overall Net Asset Value (NAV) of the fund.
- ❖ Compare Portfolio composition with desired composition and instruct Portfolio rebalancing if necessary.
- ❖ Determine weekly or monthly strategy for new Investment decision along with Sell decision from situation report of Working Committee (WC).
- ❖ Administrative decision including review of fund expenses and Accounting control.

Establishment & Authority Chart of Investment Committee (IC)



Responsibilities of IC members

Members of IC

Managing Director & Chief Executive Officer (MD & CEO)
Deputy Chief Executive Officer (DCEO)
Chief Operating Officer (COO)
Chief Investment Officer (CIO)
Head of Research & Development

Responsibility in IC

Chair of IC
Deputy Chair & Monitoring
Committee Secretary & Compliance
Investment Management
Market Intelligence

4.6 Investment & Operation Team

The investment management operation of Vanguard Asset Management Ltd. is managed by a team of investment professionals and it's guided by an investment committee. The investment committee reviews the fund portfolio and selection process to ensure compliance with the objectives set out in the Trust Deed. In addition, the VAML's investment committee pays special regards to the BSEC guidelines regarding restriction on investments/investment limits as prescribed from time to time; these restrictions related to BSEC's guideline. In addition, VAML's investment committee also reviews the portfolio periodically to assess liquidity positions and evaluate the risk parameters and will, from time to time, rebalance the portfolio.

The VAML's team includes senior investment professionals with experience in investment management and research in capital market and senior professionals from the local banking and financial services industry with operational experience and an extensive contact base among the local business community.

CHAPTER 5: RISK FACTORS MANAGEMENT PROCESS

5.1 Risk of Investment

Investors should know that Vanguard AML Growth 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. Investing in the Vanguard AML Growth Fund One involves some general risks and some scheme specific risks that investors should carefully consider before investing in the Fund.

General Risk Factors:

- I. The performance of the Fund is directly related with the macro economic situation particularly the capital market of Bangladesh.
- II. Since the capital market of Bangladesh is highly volatile, there is no assurance of achieving the stated objectives of the Fund.
- III. Due to small number of listed securities in both the stock exchanges, it may be difficult to invest the Fund's assets in a widely diversified portfolio as and when require to do so.
- IV. Due to very thin secondary fixed income/debt market in Bangladesh, it would be difficult for the fund manager to swap between asset classes.
- V. Due to absence of organized secondary debenture market in Bangladesh, it would be difficult for the Fund Manager to swap among asset classes if and when required.
- VI. Limited money market instruments narrowed the opportunity of short term or temporary investments of the Fund.
- VII. Stock market tends show that price of almost all the listed securities move in unpredictable direction which may affect the value of the Fund. Moreover, there is no guarantee that the market price of shares of the Fund shall fully reflect their underlying net asset values.
- VIII. If the issuer companies fail to provide expected dividend, this may affect the return of the Fund.
- IX. For investing in Pre-Public Offer Placement securities i.e. in unlisted equity securities by the Fund may involve liquidity risk.
- X. 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.
- XI. 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.
- XII. 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.
- XIII. 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 purchases and sales, due to settlement problems, could cause the Scheme to miss certain investment opportunities.

Scheme Specific Risk Factors:

Some of the specific risk factors related to the Scheme include, but are not limited to the following:

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

- I. As the major portion of the fund will be allotted to growth assets, the risk is also high in this case. 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 selection of companies for investment 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.

5.2 Risk Control Mechanism

Vanguard AML Growth Fund to generate better risk adjusted return for the investors through a professional investment management of the fund to generate capital gain. As the Fund will invest in growth asset, it is very important for the fund manager to understand all the associated risks with the investment securities and establish proper control mechanism to minimize those risks. Vanguard AML has engaged qualified investment professionals who have thorough knowledge about the downside risks of investment securities and would analyze all the publicly available data to discover the actual risk adjusted return of the securities. Apart from a well-qualified fund management team, there will be policies to check the investment risks.

- ❖ Vanguard AML's internal investment philosophy, which prioritizes good governance and adequate management capacity in case of investment decision, will immune the fund from investments in poorly governed investment securities.
- ❖ To minimize the downside risk of an investment, Vanguard AML would maintain proper margin of safety during Investment.
- ❖ To minimize the risk of the fund, the investment of the fund will be managed professionally and prudently on a long term basis.
- ❖ Every investment will be driven by thorough research and fundamental analysis.
- ❖ Liquidity risk will be addressed by properly assessing the ease of convertibility of the asset into cash.

5.3 Who To Invest

- ❖ Individuals should attain proper knowledge about the functioning of capital markets before applying for the units of the Fund.
- ❖ Individuals who are looking for long-term capital growth and dividend payment and are comfortable with the risk associated with equity investments should consider investing in the Fund.
- ❖ An individual may also consider investing in the Fund if she/he can accept variability of returns, have a high tolerance for risk and is planning to invest in the Fund over the long term.
- ❖ Considering other factors like the investment opportunities available in the market, return expectation, income level & consumption pattern, one may put only a limited portion of his / her investment portfolio into the Fund.
- ❖ Individuals are highly recommended to go through the full prospectus to make an informed investment decision.

THE MUTUAL FUND IS NOT GUARANTEEING OR ASSURING ANY RETURNS

CHAPTER 6: FORMATION, MANAGEMENT AND ADMINISTRATION

6.1 Sponsor of the Fund

Vanguard Asset Management Ltd. (VAML)

Vanguard Asset Management Limited (VAML), incorporated in Bangladesh at January 23, 2013 under the Companies Act 1994 vide registration no. C-106932/13 and subsequently on April 28, 2013 registered as the Asset Manager (নিবন্ধন কোডনং-এসইসি/সম্পদ ব্যবস্থাপক/২০১২/১৮) from the Bangladesh Securities and Exchange Commission (BSEC) and registered with the Register of Joint Stock Company (RJSC) as a Private Limited Company having its corporate office at Symphony (Level # 6), Plot # SE (F) 9, Road # 142, South Avenue, Gulshan-1, Dhaka-1212, Bangladesh.

Vanguard Asset Management Ltd. is the Asset Manager of two close-end Mutual Funds named **Vanguard AML BD Finance Mutual Fund One** and **Vanguard AML Rupali Bank Balanced Fund** and both funds has been listed with the stock exchanges.

Initially Vanguard's Asset under Management (AUM) was BDT 263.07 crore which is now stand at BDT 310 crore in Market Price. After inception of these two funds till now they generated more than 30% growth of the asset Value. **Vanguard AML BD Finance Mutual Fund** paid cash dividend to its investors 7.5% in first year and 10% in second year in its operations. **Vanguard AML Rupali Bank Balanced Fund** paid 12% cash dividend to its investors in first year. With its roots in research, portfolio and risk management, Vanguard gives its clients a range of return that bring a new level of professionalism and competency in the market. Vanguard consistently adds value by research based prudent investment in the market and delivering outstanding results for its investors.

Vanguard is highly respected by its clients, peers, employees and regulators for its strong corporate governance, statutory compliance, high ethical standards, a progressive and enabling working environment, and strong commitment to regulator.

6.2 Trustee and Custodian of the Fund

Investment Corporation of Bangladesh (ICB)

In order to ensure maximum trust and confidence of the investors, supervisory bodies and the persons concerned towards the Fund, the Investment Corporation of Bangladesh (ICB) would act as the Trustee and Custodian of the said Mutual Fund.

The Investment Corporation of Bangladesh (ICB) was established on October 01, 1976, under "The Investment Corporation of Bangladesh" Ordinance, 1976 (No. XL of 1976). The establishment of ICB was a major step in a series of measures undertaken by the government to accelerate the pace of industrialization and to develop a well-organized and vibrant capital market, particularly securities market in Bangladesh. ICB provides institutional support to meet the equity gap of the companies. In view of the national policy of accelerating the rate of savings and investment to foster self-reliant economy, ICB assumes an indispensable and pivotal role. Through the enactment of the Investment Corporation of Bangladesh (Amendment) Act, 2000 (No. 24 of 2000), reforms in operational strategies and business policies have been implemented by establishing and operating subsidiary companies under ICB. The main objectives of ICB are to encourage and 28 broaden the base of investments, to develop the capital market, to mobilize savings, to promote and establish subsidiary companies for business expansion and to provide for matters ancillary thereto etc.

Over the years, the activities of ICB have grown manifold, particularly in Merchant Banking, Mutual Funds operations and Lease Financing activities. ICB pioneered the Mutual Fund Industry in Bangladesh. The country's first Mutual Fund, the "First ICB Mutual Fund" was launched on 25 April 1980. ICB also manages the country's first open-end Mutual Fund. It has also the single largest stockbroker and dealer in DSE and CSE.

The ICB has long and proven experience in advisory function, particularly in buying and selling of shares, corporate restructuring and engineering, off-loading of government shares and hosts of other merchant bank related activities for the benefit of its clients. Since inception, ICB has been playing a unique role in the development of country's capital market. The company has authorized capital of Tk. 10,000 million and paid up capital of Tk. 6,644.53 million and is listed on both Dhaka Stock Exchange and Chittagong Stock Exchange.

6.3 Asset Manager of the Fund

6.3.1 The Company

Vanguard Asset Management Limited (VAML) will act as the Asset Manager of Vanguard AML Growth Fund.

Vanguard Asset Management Limited (VAML) obtained the Asset Management Company (AMC) license from Bangladesh Securities and Exchange Commission (BSEC), regulator of the country's capital market on April 28, 2013 with a view to implementing stipulated investment objectives.

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6.3.2 Board of Directors of Vanguard AML

Sharif Zahir **Chairman**

Mr Sharif Zahir is a brilliant and successful entrepreneur who has founded his own company in the fields of IT, apparel, properties, finance and energy. His background comprises about 16 years of extensive international professional exposure.

In 1998, Mr Sharif Zahir founded Creative Visions Ltd which has collaborated with Datapro Info World for providing software training and banking solution in the finance industry. In the year 2006, Sharif took the helm of Ananta Group of Companies as the Managing Director. Ananta Group is primarily engaged in the apparel sector with an annual turnover of USD 160 million. The group employs over 18,000 people exporting to major retailers in the USA and European markets. Under his leadership the company has grown at a remarkable rate of 25-30% every year over the last three years.

Mr Sharif Zahir holds the position of Director of United Commercial Bank Limited, one of the oldest private commercial banks with a network of 178 branches in Bangladesh, and National Finance Limited (NFL), a non-banking financial institution established in 2001. He is also the Chairman of Vanguard Asset Management Ltd, an investment management company founded in 2013. Mr. Zahir is actively involved in the real-estate industry as the Managing Director of Ananta Properties Limited, a real estate management company that owns and manages various properties in Bangladesh. In addition he founded Ananta Energy Resources Ltd. which has investments in the CNG refilling and distribution business.

Sharif holds a Degree in Economics from University of Texas, Austin, USA. He holds the status of CIP from the Government of Bangladesh.

Waqar Ahmad Choudhury **Director and Managing Director & CEO**

Mr. Waqar Ahmad Choudhury was the stakeholder and sponsor Director from 1996 to 2012, of Green Delta Insurance Company Limited, one of the largest General Insurance Companies in Bangladesh. During this period Mr. Choudhury played a pivotal role making equity investments in creating the following ventures:

- ❖ Delta BRAC Housing Limited (DBH), largest housing finance company in Bangladesh.
- ❖ United Hospital Limited, one of the leading corporate hospitals in Bangladesh.
- ❖ Green Delta Securities Limited, having membership of Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd.
- ❖ Green Delta Capital Limited, one of the leading Merchant Banks in Bangladesh.

Apart from the above investments he played a key role to finalize the equity participation of IFC to Green Delta Insurance Company. His net worth with Green Delta is over 80 million BDT. He was immediate past Managing Director and CEO of Green Delta LR Holdings Limited with 30 years of experience in the field of investment banking mainly in the capital market, insurance and trading business. Mr. Waqar also worked as Director of Nascom (Pvt.) Ltd. He is widely reputed for crafting requisite strategic vision to achieve business goals. Mr. Waqar holds a Bachelor of Commerce in Finance and Banking from Adelphi University in Long Island, NY, USA.

Asif Zahir **Director**

Asif Zahir joined Ananta Group as a Director in August 2008, and has been responsible for leading his family business into one of the largest and fastest growing apparel manufacturing companies in Bangladesh with a turnover of over USD 160 million and employee over 18,000 people. Asif is also serving as the Director of National Finance Limited, a non-banking financial institution and Vanguard Asset Management Ltd, an investment management firm. Prior to returning to Bangladesh, Asif Zahir spent several years in the USA working as a Product Manager at Google, Inc. where he focused on developing applications for the Android mobile operating platform.

Asif graduated from Stanford University, USA with a degree in Computer Science, where he was recognized as a President's Scholar and a Mayfield Fellow. Asif has also completed his Master's in Business Administration (MBA) from Harvard University, USA.

Syed Ishtiaq Alam **Director**

Mr. Syed Ishtiaq Alam is the Director of Ananta Group Limited. Mr. Alam to his credit has over 10 years of Management Consulting experience in the Financial Services, Insurance, Apparel and Retail sectors. Prior to joining Ananta Group Limited, Mr. Alam was based at New York headquarters of Deloitte Consulting as a Manager where he was responsible for assisting leading Insurance companies, Wall Street Investment Banks and Apparel/Retail clients implement multi-year projects including strategy/planning, program/project management, develop business processes, project implementation and rollout. Mr. Alam also sits on the Board of Directors of Eastern Insurance Co. Limited. His career includes leadership roles including partnership to handle capital expenditures and systems upgrades. He holds a Bachelor of Science with distinction in Mathematics and Physics from the University of Pennsylvania and a Masters Degree in Computer and Information Science also from the University of Pennsylvania.

Akiquir Rahman Choudhury **Director**

Mr. Akiquir Rahman Choudhury is a Non Resident Bangladeshi with nearly 18 years of experience to his credit as a Financial Consultant, Real Estate and Restaurant business expert in UK. He is the Director of Dil Chad Holdings Limited, Dil Chad Investment Limited, Dil Chad Restaurant Limited, Onupam Development Limited, Property Time Limited, Bangla City Supermarket Limited, Bangla Town Business Complex Limited, Wild Fusion Limited, Platinum 2007 Limited, E1 Accountancy and Broad Land UK Corporation Limited in the United Kingdom. He is also Managing Director of Wild Cross Properties Limited and E1 Finance Direct Limited in UK. Mr. Choudhury is an IFA Diploma in Independent Financial Consultancy in UK. His reputation includes outstanding capability of leading complex systems implementation and applications development toward enhanced profit through quality performance.

6.4 Auditor of the Fund

Hoda Vasi Chowdhury & Co, Chartered Accountants having office at BTMC Bhaban, 7-9 Kawran Bazar commercial Area, Dhaka 1215, Bangladesh, shall be the first auditor of the Fund. They are one of the reputed audit firms of the country and panel member of Auditors nominated by the Commission. Auditors for the subsequent years will be appointed by Trustee throughout the tenure of the Fund.

The Trustee shall appoint auditor for the fund with reasonable fees, where the incumbent auditor 'if any' shall be eligible for re-appointment for up to three consecutive terms of one year each. Thereafter, the auditor shall only be eligible for appointment after the lapse of at least one year. The Asset Management Company may at any time, with the concurrence of the Trustee, and shall, if directed by the BSEC, remove the auditor and appoint another auditor in its place.

The Auditor shall be responsible to ensure that calculation and entry of any income due to be paid to the fund and also any income received for the holders of the units and the reports of accounts are in accordance of the fund and in accordance with the Trust Deed and the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.

The trustee of the fund shall not appoint any firm of chartered accountants as its statutory auditors for a consecutive period exceeding three years.

6.5 Fees and Expenses

The Fund will pay the fees of the Asset Manager, the Trustee and the Custodian together with any other fees, commissions and expenses as may arise from time to time. The Fund will bear its own costs and expenses incurred / accrued in connection with its formation, promotion, registration, public offering, listing fee (if applicable) 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, guarantee or underwriting commission and fees due to the BSEC. The Fund will also bear all the other incidental expenses including printing, publication and stationery relating to its smooth and fair operation.

Keeping in mind, the initial Fund size of BDT 10,00,00,000 (Ten crore Taka) only, **Vanguard Asset Management Ltd.** has estimated the normal annual operating expenses of the Fund, which will not exceed 4% of the average NAV of the Fund. However, there may be variation in the actual operating expenses of the Fund. Major expenses of the Fund are detailed as follows:

6.5.1 Issue and Formation Expenses

Initial issue and formation expenses are estimated not to be over 5% (five percent) of the total fund size. The issue and formation expenses will be amortized within 7 (seven) years on a straight-line method. Assuming the initial collected amount as BDT 10,00,00,000 (Ten crore Taka only), the estimated expenses for the issue and formation of the Fund are presented below:

Sl.	Type of Expense	Percent	Total (Tk.)	Sub-Total/Basis	Description
1	Formation Fee Payable to AMC	1.00%	1,000,000.00	Set-Fee	Formation Fee to AMC on Collected Fund of Approved Fund Size
2	Management Fee for Pre-Scheme Formation Period	0.69%	690,410.96	on Scheme	Management Fee for AMC for pre-scheme formation period (Approximate) as per BSEC Directive(No.:SEC/CMRRCD/2009-193/160) dated May 28, 2014
3	Legal & Compliance related Expenses (Application, Registration Fees etc.)	0.37%	373,527.40		
				10,000.00	BSEC Application Fees
				200,000.00	BSEC Registration Fees (0.20% of initial fund size)
				17,500.00	CDBL Fee (Distribution of 1 Cr. Units * Tk. 10*0.00015 CDBL Fee rate = Tk. 15,000); CDBL documentation fee = Tk. 2,500.00
				100,000.00	Trust Deed Registration Fees
				46,027.40	Trustee Fee
4	Printing & IPO subscription expenses	2.06%	2,055,000.00		
				355,000.00	Designing & Printing of Prospectus, Form & Flyer for Marketing
				600,000.00	Publication of Abridged version Prospectus & IPO notification in Daily Newspaper
				1,000,000.00	Road Show for IPO
				100,000.00	Courier & distribution expenses
5	Other Expenses	0.21%	210,000.00		
				60,000.00	CDBL Computer purchase & other administrative expenses
				150,000.00	Others / Misc.
	Total	4.33%	4,328,938.36		

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

6.5.2 Annual Expenses

◆ Management Fee

As per the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ and Trust deed, the Asset Management Company shall be paid annual management fee as per following rates or in accordance with the বিধি ৬৫ of the বিধিমালা, ২০০১:-

- @ 2.50 % per annum of the weekly average NAV of the fund up to BDT 5.00 crore (Five crore Taka) and
- @ 2.00 % per annum for additional amount of the weekly average NAV of the fund above BDT 5.00 crore (Five crore Taka) up to BDT 25.00 crore (Twenty Five crore Taka) and
- @ 1.50 % per annum for additional amount of the weekly average NAV of the fund above BDT 25.00 crore (Twenty Five crore Taka) fund up to BDT 50.00 crore (Fifty crore Taka) and
- @ 1.00 % per annum for additional amount of the weekly average NAV of the fund over BDT 50.00 crore (Fifty crore Taka),

The above fees shall be paid quarterly in accrued basis by the Fund to the Asset Management Company.

Initially, total Pre-scheme management fee for the Vanguard AML Growth Fund will be accumulated as per BSEC rules.

◆ Trustee Fee

The Trustee shall be paid an annual Trusteeship fee of @ 0.15% of the Net Asset Value (NAV) of the Fund on semi-annual in advance basis during the life of the Fund or as may be agreed upon between the parties.

◆ Custodian Fee

The Fund shall pay to the Custodian (i.e. ICB) a safe keeping fee @ 0.15% of balance (dematerialized and non-dematerialized) securities held by the Fund calculated on the basis of average month end value per annum. Any out of pocket expenses may be applicable to the Fund operations from time to time.

◆ CDBL Fee

The Fixed CDBL Annual Fee will be BDT 20,000.00 (Twenty Thousand Taka) only & Annual Central Depository System (CDS) Connection Fee will be BDT 6,000.00. The fees may vary as amended by the Commission from time to time.

◆ Fund Registration and Annual Fee

The Fund has paid BDT 200,000.00 (Two Lac Taka only, 0.20% of the Initial Fund Size) to the Bangladesh Securities and Exchange Commission as registration fee. In addition, the Fund will have to pay @ 0.10% of the NAV of the Fund or BDT 50,000.00 (Fifty Thousand Taka only), whichever is higher, as annual fee in as per বিধি-১১ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১,

◆ Commission Payable to Selling Agent(s)

Vanguard Asset Management Limited will act as the Selling Agent of the 'Vanguard AML Growth Fund'. The Fund shall pay commission to the selling agent(s) to be appointed by the Asset Manager at the rate of 0.25% - 1.00% on the total sale amount of unit sales, accruable on collection basis and payable at the end of the 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. Initially only the Asset Management Company will sell the units of the fund. The asset Manager may appoint and cancel Selling Agents in future subject to approval of the Trustee and with due intimation to the BSEC.

◆ Audit Fee

The audit fee will be BDT 40,000 (Forty Thousand Taka only) for the first accounting year and the trustee will fix the audit fees for the subsequent years.

◆ Brokerage Fee

The fund will pay commission to the stock broker @ 0.20% - 0.30% of the total transaction amount which may vary in future based on market practice.

◆ Amortization of Issue and Formation Expenses

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

◆ Operational Expenses

The total expense charged to the fund, except the amortization of initial issue and formation expense, including transaction cost in the form of stock brokerage against buy and sale of securities forming a part of acquisition and disposal cost of such securities, transaction fee payable to the custodian against acquisition or disposal of securities, the annual registration fees payable to the Commission, Audit Fees, cost for publication of reports and periodicals, bank charge, etc. shall not exceed 4% (Four percent) of the weekly average net asset value during any accounting year.

◆ Other Expenses

As per terms of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ and trust deed AMC may charge the expenses for fund lunching and operations. Those expenses are reimbursable to the AMC.

CHAPTER 7: SIZE OF THE FUND, TAX AND RIGHTS OF UNIT HOLDERS

7.1 Size of Issue

The initial size of the Fund shall be BDT 10,00,00,000.00 (Ten Crore Taka only) divided into 1,00,00,000 (One Crore) units of BDT 10.00 (Ten Taka) 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 / Unit)	Amount (BDT)	Remarks
Sponsor (Vanguard Asset Management Ltd.)	10,00,000	10.00	1,00,00,000.00	Subscribed
General investors	90,00,000	10.00	9,00,00,000.00	Yet to be subscribed
Total	100,00,000	10.00	10,00,00,000.00	

7.2 Sponsor's Subscription

Vanguard Asset Management Limited, the Sponsor, has already subscribed BDT 1,00,00,000.00 (One Crore Taka only) for 10,00,000 (Ten Lac) units of 10.00 (ten) each at par on July 09, 2018, the effective date as per বিধিমালা.

7.3 Tax

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:

a. Tax advantage on Income

Income from a mutual fund or a unit fund up to BDT 25,000.00 (Twenty Five Thousand Taka only) is exempted from tax as per clause 22A of 6th Schedule (Part A) under Income Tax Ordinance, 1984.

b. 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 (Taka One Crore & Fifty Lac only), whichever is lower.

7.4 Rights of the Unit holders

7.4.1 Voting Rights

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

7.4.2 Transfer of Units

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

7.4.3 Initial Price

The initial sale price of each unit of the Fund shall be fixed at Tk. 10.00 (ten). Sale price of each unit of the Fund will be fixed after achieving the initial target amount or after closing of initial public subscription whichever is earlier.

7.4.4 Sale and Re-purchase Price

After initial public subscription of the fund, the Asset Management Company shall disclose the sales price and surrender value per unit calculated on the basis of NAV in a manner that all possible investors may be notified. The sale price per unit shall not be more than the latest NAV at market price per unit and surrender value per unit be determined following the Rule/ বিধিমালা. The difference between initial sales price and surrender value shall be Tk. 0.30 (paisa thirty) which may be changed in future, but not be over 5% of the sale price per unit.

7.4.5 Re-purchase of Units

The unit holders may surrender their unit certificates during the business hour as specified by the Asset Management Company. The Asset Management Company shall be liable to re-purchase the units on behalf of the Fund as per rules.

7.4.6 Dividend

All the unit holders have equal but proportionate right in respect of dividend. Dividend will be paid in Bangladeshi Taka only.

7.4.7 Periodic Information

All the Unit holders of the Fund shall have the right to receive the annual report and audited accounts of the Fund. Moreover, the Unit holders shall be informed of the NAV of the Fund on weekly basis through newspaper, the website of the Asset Manager, the Selling Agent(s) appointed by the Asset Manager from time to time and any other means as the Asset Manager may deem fit.

7.4.8 Accounts and Information

The Fund's financial year will be closed on March 31st every year or as determined from the Commission. Annual report or major head of income & expenditure account and balance sheet (in line with তফসিল - ৬ 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.

7.4.9 Beneficial Interest

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

CHAPTER 8: UNIT SUBSCRIPTION

8.1 Terms and Conditions of Unit Subscription

- I. The Units of the Fund may be bought / repurchased through Vanguard AML and authorized selling agents appointed by Vanguard AML from time to time and any other procedure as prescribed by the Asset Manager.
- II. Application must be made by an individual (both resident and non-resident), a corporation or company (both local and foreign), a trust or a society (registered in or outside Bangladesh) other Eligible Investors and not by minor or person of unsound mind.
- III. Joint application by two persons is acceptable. In such cases, registration and issuance of "Confirmation of Unit Allocation" will be in favor of principal applicant while dividend and other benefits, if any, will be addressed to bank account of principal applicant mentioned in the application form/bank account mentioned in BO account. In case of the death of any of the joint holders, only the survivor shall be recognized as having any title to the Units. On death of both the joint holders, the title to the Units will be bestowed upon the nominee mentioned in the application form.
- IV. Minimum purchase amount during public subscription is –
 - ◆ For individual investors: BDT 1,000.00 (One Thousand Taka) against 100 units
 - ◆ For institutional investors: BDT 25,000.00 (Twenty Five Thousand Taka) against 2,500 units

The minimum subscription amount 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 in favor of "Vanguard AML Growth Fund" for the total value of the Units.
- VI. After clearance / encashment of cheque / pay order / bank draft, 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 of Vanguard AML Growth Fund, hereinafter referred to as the Fund, may be bought and Surrendered through Vanguard Asset Management Ltd. and authorized selling agents appointed by VAML from time to time.
- VII. Partial surrender is allowed without any additional cost subject to minimum surrender quantity is 100 Units for individuals and 2,500 units for institutions. Upon partial surrender, the Unit holder(s) will be issued with a new "Confirmation of Unit Allocation" representing the balance of his/her/their Unit holding.
- VIII. The Units may be transferred by way of inheritance/gift and/or by specific operation of the law. In case of transfer, the Fund may charge a nominal fee as decided by the Asset Manager from time to time except in the case of transfer by way of inheritance.
- IX. Dividend may be delivered in cash or by way of Units under Cumulative Investment Plan (CIP) as the applicant gives option in the application form. The unit holders may change their dividend preference in future as per their need.
- X. All payments/receipts in connection with or arising out of transactions of the Units applied for shall be in Bangladeshi Taka.

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

CHAPTER 9: SELLING AGENT, BANKER & FORM

9.1 Selling Agent

Initially, Vanguard Asset Management Limited will act as the selling agent of the 'Vanguard AML Growth Fund'. The asset manager in future may appoint other organizations as its agent or cancel any of the agents named above subject to approval of the Trustee and with due intimation to the BSEC. In addition to that, individuals will also be eligible to work as selling agent to be appointed by the Asset Manager as per সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.

9.2 Banker

The public subscription money collected from the investors through the Selling Agents will be remitted to the following bank accounts:

Sl.	Name of the FC Accounts	Currency	Account No.	Bank	Branch
1	Vanguard AML Growth Fund - BDT	BDT	1122454613002	The City Bank Limited	Principal Office Branch
2	Vanguard AML Growth Fund - USD	USD	5122454613001		
3	Vanguard AML Growth Fund - GBP	GBP	5122454613002		
4	Vanguard AML Growth Fund - EURO	EURO	5122454613003		

9.3 Form

Specimen copies of the following forms are given in the following pages and available in the website of Vanguard Asset Management Ltd. (www.vanguardaml.com)

- Application Form to Purchase Units, Individual
- Application Form to Purchase Units, Institution
- Surrender / Repurchase Form
- Transfer Form



Vanguard AML Growth Fund

Asset Manager: Vanguard Asset Management Limited (VAML)

APPLICATION FORM TO PURCHASE UNITS- INDIVIDUAL (NON SIP)

(Please read the "Terms and Conditions" on reverse carefully)

To,
Managing Director and CEO
Vanguard Asset Management Limited
Symphony (Level-6), Plot # SE (F) 9, Road #142
South Avenue, Gulshan-1, Dhaka-1212.

For Office Use only

Registration No.:
Sale No.:
Selling Agent's Signature & ID.:
Authorized Person's Signature.:

(PLEASE FILL UP THE FORM IN BLOCK LETTERS)

I / we would like to purchase _____ Units of the **Vanguard AML Growth Fund** at a price of BDT _____ Per unit, prevailing on the sale date _____. I / we have enclosed the following instrument(s) with this application: Cheque /P.O. / D.D. NO.: _____

Bank: _____ Branch: _____ Total amount of BDT _____

(In words _____)

I/we would like to meet my / our following financial goals (✓)

☐ Dream Home ☐ Children's Education ☐ Children's Marriage ☐ Retirement ☐ Others: _____ By year: _____

Principal Applicant ☐ Mr. ☐ Mrs. ☐ Ms.

Name: _____

Father: _____ Mother: _____

Spouse: _____ Occupation: _____ Date of Birth: DD/MM/YYYY

Contact No: _____ Email: _____ Nationality: _____

Present Address: _____

Permanent Address: _____

National ID/ Passport No.: _____ E-TIN: _____ Fund Registration No.: _____

Bank: _____ Branch: _____ A/C No.: _____

Bo A/C No. _____

Dividend Option: ☐ Cash ☐ CIP (In the form of units) Sale Proceeds Option: ☐ BEFTN ☐ Cheque Mode of Communication: ☐ Mobile ☐ E-mail

Joint Applicant (if any) ☐ Mr. ☐ Mrs. ☐ Ms.

Name: _____

Father: _____ Mother: _____

Spouse: _____ Occupation: _____ Date of Birth: DD/MM/YYYY

Contact No: _____ Email: _____ Nationality: _____

Present Address: _____

Permanent Address: _____

National ID/ Passport No.: _____ E-TIN: _____ Mode of Operation: ☐ Single ☐ Joint

ACKNOWLEDGEMENT SLIP

Certified that this selling agent has received following instruments for an amount of BDT _____ (In words _____)

_____) from Mr./Mrs./Ms. _____ and Mr./

Mrs./ Ms. _____ being the application money for _____ Units of

Vanguard AML Growth Fund: Cheque/ P.O/D.D. NO.: _____ Bank: _____ Branch: _____

Selling Agent's Signature (with Seal):
Selling ID No.:

Sale No:

Authorized Person's Signature
(Name & Designation)

Nominee 1 (if any)		☐ Mr.	☐ Mrs.	☐ Ms.
Name:				
Address:				
Contact No.:		NID/ Passport / Birth Certificate No.:		Date of Birth: DD/MM/YYYY
Email:		Relationship with the A/C holder:		Percentage of holding Units:

Nominee 2 (if any)		☐ Mr.	☐ Mrs.	☐ Ms.
Name:				
Address:				
Contact No.:		NID/ Passport / Birth Certificate No.:		Date of Birth: DD/MM/YYYY
Email:		Relationship with the A/C holder:		Percentage of holding Units:

Guardian's Details (if Nominee is a Minor)		☐ Mr.	☐ Mrs.	☐ Ms.
Name:				
Passport/NID No.:		Relationship with Nominee:		Contact No.:
Address:				

Document Enclosed:	
☐ NID/ Passport/Birth Certificate (Applicant, Nominee, Guardian)	☐ E-TIN Certificate (applicant)
☐ Passport Size photograph (Applicant: 2 copies and Nominee & Guardian: 1 copy)	☐ Photocopy of a Bank Cheque Leaf/ Bank Statement

Signature(s) and Photograph				
Principal Applicant	Joint Applicant	1st Nominee (Attested by Principal Applicant)	2nd Nominee (Attested by Principal Applicant)	Guardian (Attested by Principal Applicant)

TERMS & CONDITIONS, FUNDAMENTALS OF MUTUAL FUND AND FLOWCHART:

I/ We confirm that I/ we have received the Acknowledgement Slip against my/ our investment in **Vanguard AML Growth Fund** and agree that I/ we will abide by the "Terms & Conditions", which may be altered, replaced and modified from time to time by **Vanguard Asset Management Limited**. I/ we also understand the Terms and Condition Fundamentals of Mutual Fund and the Flowchart, enclosed with this application form.

Signatures:

Principal Applicant	Joint Applicant	1st Nominee	2nd Nominee	Guardian
I have explained the "Terms & Conditions," "Fundamentals of Mutual Fund" and "Flowchart" to this Investor:				
Date of Application: DD/MM/YYYY				Selling Agent's Signature

FOR OFFICE USE ONLY:	
Customer Service Department:	Date: DD/MM/YYYY
Pending Document Details (If any)	Operations Department:
Name	Remark (If any):
Designation	Name
Signature	Designation
	Signature

Vanguard AML Growth Fund

I / We would like to meet my/our following financial goals (✓):

☐ Dream Home ☐ Children's Education ☐ Children's Marriage ☐ Retirement ☐ Other: _____ By year: _____

Dividend Option: ☐ Cash ☐ CIP (In the form of units) Sale Proceeds Option: ☐ BEFTN ☐ Cheque Mode of Communication: ☐ Mobile ☐ E-mail

For Joint investment, Mode of Operation: ☐ Principal ☐ Joint

Vanguard Asset Management Limited : Symphony (Level-6), Plot # SE (F) 9, Road # 142, South Avenue, Gulshan-1, Dhaka-1212.

Tel: +88 02 9840862, Fax: +88 02 9840863, E-mail: info@vanguardaml.com, Web: www.vanguardaml.com



Vanguard AML Growth Fund

Asset Manager: Vanguard Asset Management Limited (VAML)

APPLICATION FORM TO PURCHASE UNITS- INSTITUTION (NON-SIP)

(Please read the "Terms & Conditions" on reverse carefully)

To,
Managing Director and CEO
Vanguard Asset Management Limited
Symphony (Level-6), Plot # SE (F) 9, Road #142
South Avenue, Gulshan-1, Dhaka-1212.

For Office Use only

Registration No.:
Sale No.:
Selling Agent's Signature & ID.:
Authorized Person's Signature:

(PLEASE FILL UP THE FORM IN BLOCK LETTERS)

I / we would like to purchase Units of **Vanguard AML Growth Fund** at a price of BDT Per unit, prevailing on the sale date

..... I / we have enclosed the following instrument(s) with this application:

Cheque / P.O. / D.D. NO.: Bank: Branch:

Total amount of BDT (in Words.....)

Name of Institution:

Type of institution: ☐ Local Company ☐ Foreign Company ☐ Society ☐ Trust ☐ Other

Registration No: E-TIN NO. Fax No.:

Contact Person: Contact No.: E-Mail:

Bank: Branch: A/C No:

Address:

BO A/C No.:

Name of CEO / MD:

Details of Authorized person(s), if any:

	Name	Designation	Contact	Signature
1.				
2.				
3.				

Mode of Operation: Singly by: **Jointly by:**

Dividend Option: ☐ Cash ☐ CIP (In the form of units) Sale Proceeds Option: ☐ BEFTN ☐ Cheque Mode of Communication: ☐ Mobile ☐ Email

ACKNOWLEDGEMENT SLIP

Certified that this selling agent has received following instruments for an amount of BDT (In words

.....) from being the application

money for Units of **Vanguard AML Growth Fund**: Cheque/ P.O/D.D. NO.:

Bank: Branch:

Selling Agent's Signature (with Seal):
Selling ID No.:

Sale No:

Authorized Person's Signature:
(Name & Designation)

TERMS & CONDITIONS, FUNDAMENTALS OF MUTUAL FUND AND FLOWCHART

TERMS & CONDITIONS

1. The Units of Vanguard AML Growth Fund hereinafter referred to as the Fund, may be bought & surrendered through Vanguard Asset Management Limited VAML and/or any authorized selling agents appointed by VAML from time to time.
2. The application may be made by an individual (both resident and non-resident), other eligible investors (both local and foreign), a trust or a society (registered in or outside of Bangladesh) and not by a minor or person of unsound mind.
3. Minimum purchase and surrender amount is 100 (One hundred) Units for the individual investors and 2,500 (Two thousand Five hundred) Units for the institutional investors.
4. Joint application is acceptable by two persons for individual investment. Registration and Unit allocation will be in favour of principal applicant while dividend and other benefits, if any, will be addressed to the bank account of principal applicant mentioned in the application form. In case of the death of any of the joint account holders, only the survivor shall be recognized as having any title of the Units. On the death of both the joint account holders, the Units will bestow upon the nominee (if any) as mentioned in the application form.
5. Units can be surrendered on all business days except Thursday and during the book closure period/record date of the fund.
6. Surrender of Units should be done by transferring units from unit-holder's BO account to Mutual Fund's designated BO account.
7. Partial surrender is allowed subject to minimum surrender quantity as 100 (One hundred) units for individuals and 2,500 (Two thousand Five Hundred) units for institutions. Upon partial surrender, a new Confirmation of Unit Allocation will be issued in favour of the Unit holder representing the balance amount of holding units.
8. Application for purchase of units should be accompanied by account-payee cheque / pay-order / bank draft /online fund transfer as approved by the regulatory authority in favour of Vanguard AML Growth Fund.
9. After clearance/encashment of DDI (Direct Debit Instruction) / cheque / bank draft / pay order / online fund transfer, the units will be allocated in favour of the principal applicant against every purchase with a denomination of the number of units proportionate to the prevailing NAV (Net Asset Value) of the week. The units will be credited to the unit holder's BO Account in demat form.
10. The Units may be transferred by way of inheritance/gift and/or by the specific operation of the law. In case of transfer, the mutual fund may charge a nominal fee as decided by the asset manager from time to time except in the case of transfer by way of inheritance.
11. The dividend may be delivered in cash or by way of Units under Cumulative Investment Plan (CIP) as the applicant mentioned in the application form.
12. All payment receipts in connection with or arising out of transactions of the Units shall be in Bangladeshi Taka (BDT).

FUNDAMENTALS OF MUTUAL FUNDS

I / We understand and am/are aware of the following basic points about mutual fund investment:

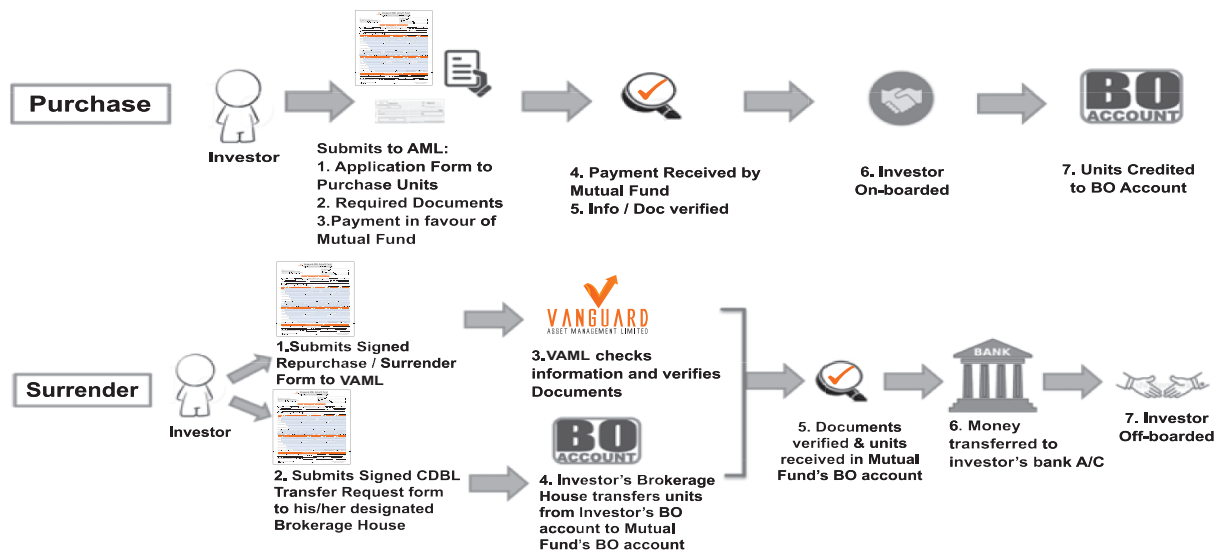
আমি / আমরা মিউচুয়াল ফান্ড সম্পর্কিত নিম্নোক্ত বিষয়গুলো সম্বন্ধে অবগত -

- Mutual Fund is a long-term wealth accumulation tool.
মিউচুয়াল ফান্ড একটি দীর্ঘ মেয়াদী সম্পদ বৃদ্ধিকারী মাধ্যম।
- The longer an investor stays with a mutual fund, the greater benefit s/he is expected to derive.
একজন বিনিয়োগকারী যত বেশি সময় মিউচুয়াল ফান্ডে টাকা রাখেন, তার ততো বেশি লাভের সম্ভাবনা থাকে।
- A mutual fund does not give return at fixed rate.
মিউচুয়াল ফান্ড কোন নির্দিষ্ট হারে মুনাফা প্রদান করেনা।
- In short term, upward/downward movements of the Net Asset Value (NAV) of mutual fund is a natural phenomenon of investment.
স্বল্পমেয়াদে মিউচুয়াল ফান্ড ব্যবস্থাপনায় Net Asset Value এর উর্ধ্বমুখী / নিম্নমুখী পরিবর্তন একটি স্বাভাবিক প্রবণতা।
- By regulation, investments of mutual fund are done in diverse assets and as a result, investment risks are mitigated.
মিউচুয়াল ফান্ড ব্যবস্থাপনার আইন অনুযায়ী ফান্ডের অর্থ ভিন্ন ভিন্ন খাতে বিনিয়োগ করতে হয় এবং এর ফলে বিনিয়োগ ঝুঁকি হ্রাস পায়।
- Tax Advantages* for the individual investors:
ব্যক্তিগত বিনিয়োগকারীদের জন্য কর সুবিধা* -
 - No tax against income up to BDT 25,000.
মিউচুয়াল ফান্ড থেকে ২৫,০০০ টাকা পর্যন্ত আয়ের উপর কোনো কর প্রযোজ্য নয়।
 - Allowable Investment for tax rebate.
এটি কর ছাড়ের (Tax Rebate) জন্য একটি বিধি সঙ্গত বিনিয়োগ।

* According to Income Tax Ordinance, 1984 and as provisioned in Budget for FY 2017-2018. This is subject to change as provisions of prevalent budget.

*আয়কর অধ্যাদেশ, ১৯৮৪ এবং ২০১৭-২০১৮ অর্থ বছরের বাজেটের বিধান অনুযায়ী। প্রচলিত বাজেট অনুযায়ী পরিবর্তনযোগ্য।

FLOWCHART FOR PURCHASE AND SURRENDER





Vanguard AML Growth Fund

Asset Manager: Vanguard Asset Management Limited (VAML)

REPURCHASE/ SURRENDER FORM

(Please read the "Terms and Conditions" on reverse carefully)

To,
Managing Director and CEO
Vanguard Asset Management Limited
Symphony (Level-6), Plot # SE (F) 9, Road #142
South Avenue, Gulshan-1, Dhaka-1212.

For Office Use only

Registration No.:
Sale No.:
Selling Agent's Signature & ID.:
Authorized Person's Signature,:

(PLEASE FILL UP THE FORM IN BLOCK LETTERS)

Registration No.:

I/we _____ address (if changed) _____

_____ am / are the holder(s) of _____ Units of

Vanguard AML Growth Fund. I / we would like to surrender _____ Units (in word _____

_____ Units) at the Surrender / Repurchase price of

BDT _____ Per Units (in word _____

_____ per unit as declared by the Asset Manager on DD / MM / YYYY

My / our surrender request is summarized below:

Sl.NO	Confirmation Of Unit allocation No.	Number of Units Held	Units to be Surrendered		
			No. of. Units	Surrender / Repurchase Price BDT/ Unit	Total Surrender Value

I / we attach herewith the above mentioned Confirmation of Unit Allocation(s). Please issue an account payee cheque / BEFTN in favor of me/us for total surrender amount and issue a Confirmation for balance units, if any.

Date: DD/MM/YYYY

Principal Applicant's Signature

Joint Applicant's Signature

Broker Information:

Name of the Broker: _____ Contact Person: _____

Contact No.: _____ E-mail: _____ DP ID : _____

Witness:

1. Signature:

2. Signature:

Name:

Name:

Father's/ Husband's Name:

Father's/ Husband's Name:

Address:

Address:

ACKNOWLEDGEMENT SLIP

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

Registration No.: _____

Confirmation of Unit Allocation No.: Holding Quantity: Surrendered Quantity:.....

Issuing Officer's Seal, Signature and Date

Surrender No.

Authorized Person's Signature
(Name & Designation)

For Office Use Only

Date: DD/MM/YYYY

Checked and Verified by Name:

Signature:

TERMS & CONDITIONS

I / We confirm that I / we have received the Acknowledgement Slip against my / our surrender request in **Vanguard AML Growth Fund** and agree that I / we will abide by the "terms & Conditions", which may be altered, replaced and modified from time to time by **Vanguard Asset Management Limited**.

Signature:

Date: DD/MM/YYYY

Principal Applicant

Joint Applicant

FOR OFFICE USE ONLY

Cheque No.: _____ Bank: _____ Date: DD/MM/YYYY

Amount BDT: _____ (In words: _____) issued

in favor of: _____

For balance Units, if any.

Registration No.: _____ Surrender No.: _____

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

Seal and Signature of Issuing Office

Received cheque and/or Confirmation of Unit Allocation (if any) as mentioned above.

TERMS & CONDITIONS

- ❖ The Units of **Vanguard AML Growth Fund**, hereinafter referred to as the Fund, may be bought through **Vanguard Asset Management Limited (VAML)** and authorized selling agents appointed by **VAML** from time to time. Surrender of Units is allowed only through **VAML** or the Selling agents appointed by **VAML** from time to time.
- ❖ Units may be surrendered on all working days except last working day of the week and during the book closure period/record date of the fund.
- ❖ Minimum surrender quantity is 100(One Hundred) Units for individual and 2,500 (Two Thousand Five Hundred) Units for Institutional Unit holders.
- ❖ Partial surrender is allowed without any additional cost subject to minimum surrender quantity of 100(One Hundred) Units for individuals and 2,500 (Two Thousand Five Hundred) units for institutions. Upon particular surrender, the unit holder will be issued with a new Confirmation representing the balance of his/her unit holding.
- ❖ Unit holder is required to attach the Confirmation of Unit Allocation Letter(s) he/she/the institution wants to surrender along with this surrender form.
- ❖ After verification of authenticity of Confirmation of Unit Allocation Letter(s) account payee cheque/BEFTN for surrender amount will be issued in favor of unit holder within maximum of five working days. In case of joint holding, account payee cheque will be issued/ made in favor of principal holder.

Vanguard Asset Management Limited : Symphony (Level-6), Plot # SE (F) 9, Road # 142, South Avenue, Gulshan-1, Dhaka-1212.

Tel: +88 02 9840862, Fax: +88 02 9840863, E-mail: info@vanguardaml.com, Web: www.vanguardaml.com



Vanguard AML Growth Fund

Asset Manager: Vanguard Asset Management Limited (VAML)

TRANSFER FORM

(Please read the "Terms and Conditions" carefully)

To,
Managing Director and CEO
Vanguard Asset Management Limited
Symphony (Level-6), Plot # SE (F) 9, Road #142
South Avenue, Gulshan-1, Dhaka-1212.

For Office Use only

Registration No.:
Sale No.:
Selling Agent's Signature & ID.:
Authorized Person's Signature, :

(PLEASE FILL UP THE FORM IN BLOCK LETTERS)

Transferor

I / we _____ address (if changed) _____
_____ hereinafter referred to as transferor, am/are the holder(s) of
_____ Units (in words _____) Units of **Vanguard AML Growth Fund**. I/we
would like to transfer _____ Units (in words _____) units) to the
following person/ institution, hereinafter referred to as transferee:

Transferee

☐ Mr.

☐ Mrs.

☐ Ms.

Name: _____

Father: _____ Mother: _____

Spouse: _____ Occupation: _____ Date of Birth: DD/MM/YYYY

Contact No: _____ Email: _____ Nationality: _____

Present Address: _____

Permanent Address: _____

National ID/ Passport No.: _____ E-TIN: _____ Fund Registration No.: _____

Bank: _____ Branch: _____ A/C NO.: _____

Bo A/C No. _____

Means of transfer: ☐ Inheritance ☐ Gift ☐ Operation of Law

Dividend Option: ☐ Cash ☐ CIP (In the form of units) Sale Proceeds Option: ☐ BEFTN ☐ Cheque Mode of Communication: ☐ Mobile ☐ E-mail

Nominee (if any)

☐ Mr.

☐ Mrs.

☐ Ms.

Name: _____

Address: _____

Contact No: _____ NID/ Passport/ Birth Certificate No.: _____ Date of Birth: DD/MM/YYYY

Email: _____ Relationship with the A/C holder: _____ Percentage of holding Units: _____

ACKNOWLEDGEMENT SLIP

Certified that this selling agent/ bank has received a request for Transferring _____ Units (in words _____) Units
of **Vanguard AML Growth Fund** from _____ to _____

Dividend Option: ☐ Cash ☐ CIP (In the form of units) Sale Proceeds Option: ☐ BEFTN ☐ Cheque Mode of Communication: ☐ Mobile ☐ E-mail

Issuing Officer's Seal, Signature & Date

Transfer No.

Authorized Person's Signature:
(Name & Designation)

BROKER INFORMATION:

Name of the Broker: _____ Contact Person: _____
Contact No.: _____ E-mail: _____ DP ID: _____

WITNESS

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

Signature of Transferor _____

Signature of Transferee _____

SIGNATURE(S) AND PHOTOGRAPH

Transferor	Transferee	Nominee
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FOR OFFICE USE ONLY

Date: DD/MM/YYYY
Checked and Verified by Name: _____
Signature: _____

TERMS & CONDITIONS

I/We confirm that I/we have received the Acknowledgement Slip against my / our Transfer request in **Vanguard AML Growth Fund** and agree that I/we will abide by the "Terms & Conditions", which may be altered, replaced and modified from time to time by **Vanguard Asset Management Limited**.

Signature:

Date: DD/MM/YYYY Transferor _____ Transferee _____ Nominee _____

FOR OFFICE USE ONLY:

Date: DD/MM/YYYY

Transferee's Registration No.: _____ Transfer No.: _____

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

SEAL AND SIGNATURE OF ISSUING OFFICE

I/We, the said transferee, have received the above mentioned Acknowledgement Slip and do hereby agree to accept and take the said Confirmation of Unit Allocation on the same terms and conditions on which they were held by the said transferor

TERMS & 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 **Vanguard Asset Management Limited** from time to time except in the case of transfer by way of inheritance.
- ❖ Transfer of Units is allowed through the Selling Agents and the Asset Manager only.
- ❖ The Units will be transferred on all working days except the last working day of the week and during the book closer period / record date of the Fund.
- ❖ The Confirmation of Unit Allocation(s) of the transferor is/are required to be attached with the Transfer Form.
- ❖ After verification of authenticity of the transferor's Confirmation of Unit Allocation(s) as well as the information provided in the transfer Form, the Asset Manager will deliver the new Confirmation of Unit Allocation in the name of Transferee within a period of five working days.
- ❖ The conditions applicable for initial Confirmation of Unit Allocation will apply even after transfer of Units in the name of Transferee.

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