

# EDGE High Quality Income Fund

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

Investing in the EDGE High Quality Income Fund (hereinafter “the Fund”) bears certain risks that investors should carefully consider before investing in the Fund. These risks are normally associated with investing in securities including loss of principal amount invested. There can be no assurance that the Fund will achieve its investment objectives. The Fund value can be volatile and no assurance can be given that investors will receive the amount originally invested. When investing in the Fund, investors should carefully consider the risk factors outlined in the document.

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

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

### **Size of Issue**

Proposed Initial Size BDT 25,00,00,000 (Twenty Five Crore)

Total Number of Units 2,50,00,000 (Two Crore Fifty Lakh)

### **Initial / Opening Price**

BDT 10 (Taka Ten) per Unit

### **Initial Subscription Opens**

December 28, 2021

### **Sponsor & Asset Manager**

EDGE AMC Limited

### **Trustee**

Sandhani Life Insurance Company Limited

### **Custodian**

BRAC Bank Limited

### **Banker**

BRAC Bank Limited

Midland Bank Limited

### **Auditor**

ACNABIN Chartered Accountants

### **Date of Publication of Prospectus**

December 26, 2021

The Prospectus is available at the AMC's website at [WWW.EDGEAMC.COM](http://WWW.EDGEAMC.COM)



Sandhani Life Insurance  
Company Limited  
**Trustee**



EDGE AMC Limited  
**Sponsor & Asset Manager**



BRAC Bank Limited  
**Custodian**

# Executive Summary

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**EDGE AMC (Asset Management Company) Limited** is launching its third open-ended mutual fund, namely **EDGE High Quality Income Fund** with an initial fund size of BDT 250 million. EDGE AMC Limited is both the sponsor and the asset manager of this fund, whereas Sandhani Life Insurance Company Ltd will act as the trustee and BRAC Bank Ltd will undertake the custodian role of the fund. This is a 'continuous offer' fund by nature, which facilitates the investors to subscribe and redeem units at their will. The Fund is going to offer electronic (online) purchases and repurchases process considering the convenience of the investors.

Founded by a team of investment management professionals with strong track-record, EDGE AMC is committed to deliver strong investment results by harnessing long-term, value-investing opportunities on behalf of the Unitholders. Senior executives of the company, being CFA charter holders, have sufficient training, experience and commitment towards upholding Unitholders' interest under any circumstance. As part of such commitment, EDGE AMC is sponsoring the EDGE High Quality Income Fund to spread the economic benefit of Bangladesh capital market to wider population.

The objective of the EDGE High Quality Income Fund is to achieve superior risk adjusted return by – a) allocating assets optimally in the fixed income generative securities at given macroeconomic and market condition; and b) selecting securities based on their ability to generate cashflows sustainably over long-term. The Fund will also offer tax benefits and access to IPO subscription to its Unitholders in the primary market. Being a fixed income fund in nature, the Fund will aim to generate and distribute income sustainably in the form of dividend and capital gain.

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# Fund Directory

## Registered Office

<b>Sponsor &amp; Asset Manager</b>	EDGE AMC Limited Head Office: Rupayan Prime, Unit B-10, House 2, Road 7, Dhanmondi, Dhaka- 1205, Bangladesh Website: <a href="http://www.EDGEAMC.com">www.EDGEAMC.com</a> Tel: 02- 9612606
<b>Trustee</b>	Sandhani Life Insurance Company Ltd. Sandhani Life Tower, Rajuk Plot No. 34, Bangla Motor, Dhaka-1000, Bangladesh Website: <a href="http://www.sandhanilife.com/">http://www.sandhanilife.com/</a> Tel: 02-9611197, 02-9664931, 01833325681-82
<b>Custodian</b>	BRAC Bank Limited Anik Tower, 220/B, Tejgaon-Gulshan Link Road, Tejgaon, Dhaka-1208, Bangladesh Website: <a href="http://www.bracbank.com">www.bracbank.com</a> Tel: 02-8801301-32
<b>Auditor</b>	ACNABIN Chartered Accountants BDBL Bhaban (Level 13) 12 Kawran Bazar Commercial Area, Dhaka-1215, Bangladesh Website: <a href="http://www.acnabin.com">www.acnabin.com</a> Tel: 02-8144347
<b>Banker</b>	BRAC Bank Limited Gulshan Corporate Branch House 50 (1st Floor), Road 3, Plot 2, Block SW(H)-7 Gulshan Avenue, Gulshan 1, Dhaka-1212, Bangladesh Phone: 02-58817138  Midland Bank Limited Dhanmondi Branch Green Rowshanara Tower (2nd Floor) House# 755(Old), 55(New), Satmasjid Road, Dhanmondi, Dhaka 1205, Bangladesh Phone: +(88) 096 66 410 908

For Prospectus or any other information please contact at following corporate office of the Asset Management Company.

**EDGE AMC (Asset Management Company) Limited**  
Rupayan Prime (Unit B-10), House # 2, Road # 7, Dhanmondi, Dhaka-1205  
Tel: +88 02 9612606  
Email: [info@edgeamc.com](mailto:info@edgeamc.com)  
Website: [www.EDGEAMC.com](http://www.EDGEAMC.com)

A person interested to get a prospectus may obtain from the Asset Management Company.

**“If you have any query about this document, you may consult the Asset Management Company”**

# Definitions and Elaboration of Abbreviated Terms

Act	বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন আইন, ১৯৯৩
Rule/বিধিমালা	সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১
Asset Manager/Asset Management Company/Fund Manager/Investment Manager/AMC	The Asset Management Company (AMC) refers to EDGE AMC (Asset Management Company) Limited.
Application Form	A form meant to be used by an investor to purchase Units of the Scheme
Allotment	Letter of Allotment for units
BB	Bangladesh Bank
BEFTN	Bangladesh Electronic Fund Transfer Network
BO A/C	Beneficiary Owner’s Account
Business Day	A day not being: (1) A weekend; (2) A day on which the stock exchanges are closed; (3) A day on which purchase and repurchase of Units is suspended or a book closure period/ record date announced by the Trustee/ AMC; or (4) A day on which normal business cannot be transacted due to unavoidable circumstances or such other events as the AMC may specify from time to time; (5) A day on which banks are closed.
BDT	Bangladeshi Taka
Book Closer	Sale and repurchase of units issued by Asset Management Company and Selling Agent shall remain closed during the month of July unless the Commission decides otherwise
CEO/MD	Chief Executive Officer / Managing Director
CDBL	Central Depository Bangladesh Ltd
CAGR	Compound Annual Growth Rate
Commission/BSEC	Bangladesh Securities and Exchange Commission
Companies Act	কোম্পানি আইন, ১৯৯৪
Confirmation of Unit Allocation	Letter confirming allocation of Units
CSE	Chittagong Stock Exchange Ltd.
Custodian	BRAC Bank Limited
CIP	Cumulative Investment Plan
CDS	Central Depository System

<b>Dividend</b>	Income distributed by the Fund, when / where applicable.
<b>DSE</b>	Dhaka Stock Exchange Ltd.
<b>Effective Date</b>	The date of registration of the Trust Deed
<b>EFT</b>	Electronic Fund Transfer via BEFTN, NPSB and/or RTGS
<b>EPU</b>	Earnings Per Unit
<b>FC Accounts</b>	Foreign Currency Account
<b>FI</b>	Financial Institution
<b>Government</b>	The Government of the People’s Republic of Bangladesh
<b>SLIC</b>	Sandhani Life Insurance Company Limited
<b>BBL</b>	BRAC Bank Limited
<b>CBL</b>	The City Bank Limited
<b>MBL</b>	Midland Bank Limited
<b>ISO</b>	Initial Subscription Offering
<b>IPO</b>	Initial Public Offering
<b>Issue</b>	Public Issue
<b>IDRA</b>	Insurance Development & Regulatory Authority Bangladesh
<b>SND A/C</b>	Special Notice Deposit Account
<b>Mutual Fund/ The Fund/ Unit Fund/ Open End Mutual Fund</b>	EDGE High Quality Income Fund
<b>Non-Resident Bangladeshi/ NRB</b>	Non-resident Bangladeshi (NRB) means Bangladeshi citizens staying abroad including all those who have dual citizenship provided they have a valid Bangladeshi passport or those, whose foreign passport bear a stamp from the concerned Bangladesh embassy/ High Commission to the effect that no visa is required to travel to Bangladesh
<b>NAV</b>	Net Asset Value
<b>NBFI</b>	Non-Bank Financial Institution
<b>NBR</b>	National Board of Revenue
<b>NPSB</b>	National Payment Switch Bangladesh
<b>Ongoing Offer Period</b>	Offer of units of the Fund after the closure of the initial offer period.
<b>Offering Price</b>	Price of the Securities of the Fund being offered
<b>Offer Document</b>	This document issued by EDGE HIGH QUALITY INCOME FUND, offering units of the Fund for subscription. Any modifications to the offer document will be made by way of an addendum which will be attached to offer document. On issuance of any such addendum, prior approval from BSEC is required and the offer document will be deemed to be updated by the addendum.

<b>Prospectus</b>	The advertisement or other documents (approved by the BSEC), which contain the investment and all other information in respect of the mutual fund, as required by the বিধিমালা and is circulated to invite the public to invest in the mutual fund.
<b>Purchase/ Subscription</b>	Subscription to/ purchase of units of the Fund
<b>Purchase Price</b>	The price, calculated in the manner provided in this offer document, at which the units can be purchased.
<b>Repurchase</b>	Repurchase of units by the Fund from a unit holder
<b>Repurchase Price</b>	Price at which the units can be redeemed/repurchased and calculated in the manner provided in this offer document.
<b>RJSC</b>	Registrar of Joint Stock Companies and Firms
<b>RTGS</b>	Real-Time Gross Settlement
<b>SIP</b>	Systematic Investment Plan
<b>Sponsor</b>	EDGE AMC Limited
<b>Sales Agent/ Selling Agent/Point of Sales</b>	AMC designated official points for accepting transaction/ service requests from investors.
<b>Securities</b>	Units of the Fund
<b>Subscription</b>	Application Money
<b>Trustee</b>	Sandhani Life Insurance Company Limited
<b>Unit Holder</b>	A person holding units of EDGE High Quality Income Fund offered under this offer document.
<b>Unit Certificate/Certificate</b>	Unit Certificate of the Fund in dematerialized form under CDBL
<b>Unit</b>	One undivided share in the Fund

### Interpretation

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

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



# Fund Highlights

<b>Name</b>	EDGE High Quality Income Fund
<b>Type</b>	Open-End Mutual fund
<b>Life and Size of the Fund</b>	Perpetual life and unlimited size
<b>Sponsor</b>	EDGE AMC Limited
<b>Asset Manager</b>	EDGE AMC Limited
<b>Trustee</b>	Sandhani Life Insurance Company Limited
<b>Custodian</b>	BRAC Bank Limited
<b>Initial Size of the Fund</b>	Tk. 25,00,00,000 (Taka Twenty Five Crore) divided into 2,50,00,000 (Two Crore Fifty Lakh) Units of Tk.10 (Taka Ten) each
<b>Face Value</b>	Tk.10 (Taka ten) per Unit
<b>Nature</b>	Open end Mutual Fund with unlimited size.
<b>Objective</b>	To maximize total investment return with high safety and liquidity-balance by investing principally in a portfolio of fixed and floating rate debt (or fixed income generating) securities and debt obligations issued by government, government-related issuers or corporate entities or NGOs based in Bangladesh. The Fund will invest only in investment grade debt securities and may also invest in money market instruments, convertible bonds and initial public offerings (IPOs) of debt and equity securities.
<b>Minimum Application Amount</b>	Tk.5,000/- per application (500 Units) for individuals. Tk.50,000/- per application (5,000 Units) for institutions. Not Applicable for SIP investors
<b>Transparency</b>	NAV will be calculated on a weekly basis and shall be published on the website of the Fund manager (www.EDGEAMC.com) and as prescribed in the Rule.
<b>Target Group</b>	Individuals –both resident and non-resident, institutions– both local and foreign, mutual funds and collective investment schemes are eligible to subscribe the Units of the Fund.
<b>Dividend</b>	Minimum 70 (seventy) percent of realized income of the Fund will be distributed as dividend in Bangladeshi Taka in each accounting year.
<b>Dividend Distribution</b>	The dividend warrant will be distributed within 45 (forty-five) days from the date of declaration.
<b>Tax Benefit</b>	a) Income from a mutual fund or a unit fund up to tk. 25,000.00 (Twenty-Five Thousand) is exempted from tax under Income Tax Ordinance 1984.  b) Investment in the EDGE High Quality Income Fund would qualify for investment tax credit under section 44(2) of the Income Tax Ordinance.  c) The income of the Fund will also be exempted from Tax.

<b>Encashment</b>	The Unit holders can surrender and encash their Units to the Asset Manager and through the authorized selling agents appointed by the Asset Manager. The Asset Manager or selling agent shall be liable to re-purchase the units on behalf of Fund.
<b>Transferability</b>	The Units of the Fund are transferable by way of inheritance/ gift and/ or by specific operation of the law.
<b>Prospectus, Reports and Accounts</b>	Every Unit holder is entitled to receive annual report along with the yearly and half-yearly statements of accounts as and when published on the asset management company's website ( <a href="http://www.EDGEAMC.com">www.EDGEAMC.com</a> ).
<b>Systematic Investment Plan (SIP) Facility</b>	Systematic Investment Plan or SIP allows investor to invest a certain pre-determined amount at a regular interval (monthly, quarterly, yearly etc.). A SIP is a planned approach towards investments and helps to inculcate the habit of saving and building wealth for the future. Investor can start SIP with a very small amount that is minimum BDT 1,000.
<b>Cumulative Investment Plan (CIP) Facility</b>	Cumulative Investment Plan or CIP allows investor to re-invest the cash dividend in the fund at the prevailing NAV with ease. Reinvestment allows investors to compound their earnings from capital gain and thus increase their wealth for the future.

# ফান্ডের সংক্ষিপ্ত বিবরণী

নাম	এড্‌জ হাই কোয়ালিটি ইনকাম ফান্ড
ধরণ	বে-মেয়াদী মিউচুয়াল ফান্ড
ফান্ডের মেয়াদকাল	আজীবন মেয়াদী
উদ্যোক্তা	এড্‌জ এ এম সি লিমিটেড
সম্পদ ব্যবস্থাপক	এড্‌জ এ এম সি লিমিটেড
ট্রাস্টি	সন্ধানী জীবন বিমা কোম্পানি লিমিটেড
হেফাজতকারী	ব্র্যাক ব্যাংক লিমিটেড
ফান্ডের প্রাথমিক আকার	টাকা ২৫,০০,০০,০০০ (পঁচিশ কোটি) ২,৫০,০০,০০০ (দুই কোটি পঞ্চাশ লক্ষ) ইউনিটে বিভক্ত যার প্রতিটির অভিহিত মূল্য ১০ টাকা
অভিহিত মূল্য	টাকা ১০ (দশ) প্রতি শেয়ারের মূল্য
ফান্ডের প্রকৃতি	বে-মেয়াদী মিউচুয়াল ফান্ড এবং সীমাহীন আকার
উদ্দেশ্য	উচ্চ বিনিয়োগ নিরাপত্তা এবং তারল্য-ভারসাম্য বজায় রেখে, এড্‌জ হাই কোয়ালিটি ইনকাম ফান্ড বিভিন্ন সরকারি, আধা-সরকারি, কর্পোরেট সংস্থা এবং এনজিও কর্তৃক ইস্যুকৃত সুনির্দিষ্ট বা ভাসমান ইন্টারেস্ট রেট-ভিত্তিক ঋণ (বা নির্দিষ্ট আয় সৃষ্টিকারী) সিকিউরিটিজ পোর্টফোলিওতে বিনিয়োগ করে মূলধনী লাভ, লভ্যাংশ এবং সুদ আয়ের মাধ্যমে ইউনিট-হোল্ডারদের ঝুঁকি সমন্বিত রিটার্ন সর্বোচ্চকরণ। এই ফান্ডটি শুধুমাত্র বিনিয়োগ ঋণ-মান বিশিষ্ট সিকিউরিটিজে বিনিয়োগ করবে এবং এছাড়াও মুদ্রা-বাজার সিকিউরিটিজ, কনভার্টিবল-বন্ড এবং ইকুইটি বা বন্ড প্রাথমিক পাবলিক অফারিং (আইপিও) বিনিয়োগ করতে পারে।
নূন্যতম বিনিয়োগ	টাকা ৫,০০০ ব্যক্তিগত আবেদনের বিপরীতে। টাকা ৫০,০০০ প্রতিষ্ঠানের আবেদনের বিপরীতে। এটি এস. আই. পি. বিনিয়োগকারীদের জন্য প্রযোজ্য নয়।
স্বচ্ছতা	বিধিমালা অনুযায়ী ফান্ডের NAV প্রতি সপ্তাহে গণনা করা হবে এবং সম্পদ ব্যবস্থাপকের ওয়েব সাইটে প্রকাশ করা হবে। সম্পদ ব্যবস্থাপকের ওয়েব সাইটের ঠিকানা হচ্ছে (www.EDGEAMC.com)
সম্ভাব্য বিনিয়োগকারী	ব্যক্তি (প্রবাসী এবং দেশে বসবাসকারী উভয়ই), প্রতিষ্ঠান (দেশি-বিদেশি উভয়ই), মিউচুয়াল ফান্ড এবং সমষ্টিগত তহবিলের স্কিম সমূহ যে গুলো আইনগত ভাবে গঠিত তারা ফান্ডের শেয়ার ক্রয় করার স্বক্ষমতা রাখে।
লভ্যাংশ	প্রতিটি হিসাব বছরের শেষে বার্ষিক লাভের নূন্যতম ৭০ শতাংশ অর্থ লভ্যাংশ হিসেবে বিতরণ করা হবে।

লভ্যাংশ বিতরন	লভ্যাংশ পত্র (ডিভিডেন্ড ওয়ারেন্ট ) লভ্যাংশ ঘোষণার ৪৫ দিনের মধ্যে বিতরন করা হবে।
হস্তান্তর যোগ্যতা	উত্তরাধিকার/ উপহার অথবা আইন দ্বারা অনুমোদিত ভাবে এই ফান্ডের ইউনিট সমূহ হস্তান্তর করা যাবে।
নগদায়ন	ইউনিটহোল্ডার গণ তাদের ইউনিট নগদায়ন করতে পারবেন সরাসরি সম্পদ ব্যবস্থাপকের মাধ্যমে অথবা সম্পদ ব্যবস্থাপকের নিয়োগপ্রাপ্ত বিক্রয় প্রধিনিধির মাধ্যমে।
নিয়মিত বিনিয়োগ পরিকল্পনা (এস. আই. পি)	এস আই পি বা নিয়মিত বিনিয়োগ পরিকল্পনা এর মাধ্যমে এস আই পি বিনিয়োগকারীরা নির্দিষ্ট সময় অন্তর অন্তর পূর্বনির্ধারিত পরিমান অর্থ বিনিয়োগ করবেন। ভবিষ্যৎ সঞ্চয় ও সম্পদ গড়ার লক্ষ্যে এবং বিনিয়োগের জন্য একটি পরিকল্পিত অভিগমন। বিনিয়োগকারীরা ন্যূনতম ১০০০ টাকা বিনিয়োগ করে এস আই পি স্কিম শুরু করতে পারবেন।
প্রসপেক্টাস, বার্ষিক প্রতিবেদন এবং হিসাব সমূহ	যেকোন বিনিয়োগকারী সম্পদ ব্যবস্থাপকের ওয়েব সাইট (www.EDGEAMC.com) থেকে এই প্রসপেক্টাসটি দেখতে পারবেন। সম্পদ ব্যবস্থাপকের ওয়েব সাইট এ প্রকাশিত বাৎসরিক আর্থিক বিবৃতি প্রত্যেক ইউনিট হোল্ডারগণ পাবেন। এছাড়া ইউনিট হোল্ডারগণ সম্পদ ব্যবস্থাপকের ওয়েব সাইটে পোর্টফোলিওর প্রান্তিক প্রতিবেদন ও পাবেন।
কর রেয়াত জনিত সুবিধা	ক) Income Tax ordinance 1984 এ, মিউচুয়াল ফান্ড অথবা ইউনিট ফান্ড হতে আয় এর ২৫,০০০ টাকা পর্যন্ত করের আওতামুক্ত থাকবে।  খ) ইউনিট ফান্ডে বিনিয়োগ Income Tax ordinance 1984, এর সেকশন ৪৪(২) অনুযায়ী বিনিয়োগ কর রেয়াত (investment tax credit) সুবিধা পাবেন। এ সম্পর্কে বিস্তারিত আলোচনা প্রোসপেকটাস এর সেকশন ২.৪ এ বর্ণিত রয়েছে।

# Risk Factors

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Investing in the EDGE High Quality Income Fund (hereinafter the Fund) involves certain risks that investors should carefully consider before investing in the Fund. Investment in the capital market and in the Fund bears certain risks including loss of principal amount invested. There can be no assurance that the Fund will achieve its mentioned investment objectives. The Fund value can be volatile and no assurance can be given that investors will receive the amount originally invested. 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 guarantee that the Fund will be able to meet its investment objective. Unit-holders may incur absolute and relative losses, including loss of principal, when investing in the Fund. Mutual funds and securities investments are subject to market risks and no government agency or the sponsor/AMC is offering an objective investment performance guarantee, hereby. Investors should study this Offer Document carefully before investing. 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.
- 2. External Risk Factor:** Performance of the Fund is substantially dependent on the macro-economic situation and capital market as well as money market of Bangladesh. Political and social instability may have an adverse effect on the value of the Fund's assets. Adverse natural calamities 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 from their respective fundamental value estimates, at times for prolonged period. 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 high-quality listed securities in both the DSE and CSE, it may be difficult to invest the Fund's assets in a widely diversified portfolio of securities as and when required to do so. Very narrow and highly thinly traded bond market of the country has not been supporting the Asset Manager to design and implement optimum asset allocation decisions from time to time. Limited options in the money market instruments will narrow the opportunity of short term or temporary investments of the Fund which may adversely impact the returns.
- 5. Dividend Risk:** Despite careful investment selection of companies in the Fund, if the securities fail to generate the expected income or dividend, or fail to disburse interest income, principal repayment or dividends declared in a timely manner that will impact the income and the overall return of the Fund.
- 6. Underlying Liquidity Risk:** For investing in Pre-Public Offer Placement securities i.e. in the unlisted debt or equity securities by the Fund, may involve liquidity risk. In addition, market conditions and investment allocation may have an impact on the ability to sell securities during periods of market volatility. Debt securities, while somewhat less liquid, lack a well-developed secondary market, which may restrict the selling ability of the Fund, and may lead to the Fund incurring losses till the security is finally sold. While securities listed on the stock exchange carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock exchanges and may lead to the Fund incurring losses till the security is finally sold.

- 7. Investment Strategy Risk:** Since the Fund will be an actively managed investment portfolio; the Fund performance will remain subject to the investment management strategy risk. The AMC will undertake rigorous investment research and risk management exercise at all the time; however, there can be no guarantee that such process and techniques will produce the desired outcome. Due to the long-term fundamental analysis driven management style of the AMC, the Fund may drag performance relative to the market index/ benchmark in too weak or strong market conditions when market volatility is high.
- 8. Credit Risk:** Since the Fund will seek to also invest as per the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, in fixed income securities; the credit risk of the fixed income issuers is also associated with the Fund. Investment in fixed income securities is subject to the risk of an issuer's inability to meet interest and principal payments on its obligations and market perception of the creditworthiness of the issuer.
- 9. Interest Rate Risk:** The Net Asset Value (NAV) of the Fund, to the extent invested in fixed income securities (debt and money Market securities), will directly be affected by changes in the general level of interest rates. Extent of such impact on NAV will depend on the average tenure or years to maturity (YTM) or average duration of the bond portfolio. If the average duration of the bond portfolio is high (more than 1 year), 1% hike of general interest rate level will drive more than 1% fall of portfolio value and vice versa. The inverse relationship in between change in the interest rates and portfolio value is summarized in the following formula:
- $$\% \text{ of change in value of fixed income security or portfolio} = - (\text{Average remaining life of the security or portfolio}) \times (\% \text{ of change in the relevant interest rate level})$$
- Zero coupon securities do not provide periodic interest/ principal payments to their investors. Hence they have higher average duration- making them riskier from interest rate risk perspective compared to coupon bearing bonds.
- 10. Issuer-specific 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 corporate governance risk, management malfeasance, accounting irregularities, unfavorable changes in management team or management strategy leading to corporate under-performance. Such risks can develop in an unpredictable way where corporate insiders have way more information in their custody than the public investors including the AMC. Hence such risks can only be partially mitigated by thorough 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.
- 11. Liquidity Risk:** Open-end fixed income funds are exposed to market liquidity risks given the lower liquidity levels for debt securities, in general. Additionally, untimely significant redemption of Fund-units by exiting investors may add to overall level of liquidity risks for the Fund beside dragging performance.

**Mutual funds do not guarantee any predetermined returns.**

# Chapter 1: Preliminary

## 1.1 Publication of Prospectus for Public Offering

EDGE AMC Limited (“EDGE”) has received registration certificate from the Bangladesh Securities & Exchange Commission under Securities & Exchange Commission Act, 1993 and সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ made thereunder and also received consent for issuing prospectus for public offering. A complete copy of the prospectus is available for public inspection at Rupayan Prime (Unit B-10), House # 2, Road # 7, Dhanmondi, Dhaka-1205, the registered office of EDGE AMC Limited, the Sponsor and Asset Manager of EDGE HIGH QUALITY INCOME FUND, here in after referred to as the Fund.

## 1.2 Consent of the Bangladesh Securities and Exchange Commission

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

## 1.3 Listing of Fund

The Fund, being an open-ended one, will not be listed with any stock exchanges of the country. Hence the Units of the Fund will not be traded in the stock exchanges unless otherwise BSEC and stock exchange houses make arrangement in future. In that case public communication will be made as per BSEC’s approval.

Units of the Fund will always be available for sale and surrender/ repurchase except on the last working day of every week and during book closure period/record date of the Fund at the office of the Asset Manager and the office so of authorized selling agents. Asset Manager shall disclose selling price and surrender/repurchase price of Units at the beginning of business operation on the first working day of every week as per the Rule.

## 1.4 Availability of Documents for Inspection

1. Copy of this prospectus will be available at the registered office of the Asset Manager and offices of the authorized selling agents of the Fund. This prospectus will also be available at the website of Bangladesh Securities and Exchange Commission ([www.sec.gov.bd](http://www.sec.gov.bd)), EDGE AMC Limited ([www.EDGEAMC.com](http://www.EDGEAMC.com)).
2. Copy of the trust deed will be available for public inspection during business hours at the office of the asset manager of the Fund. One will be able to purchase a copy of the trust deed by paying the price as determined by the Asset Manager.

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

### PART-A

1. The Fund shall not account for any upward revaluation of its assets creating reserve without clearance from the Bangladesh Securities and Exchange Commission;
2. The Fund shall not be involved in option trading, short selling or carry forward transactions;
3. A confirmation of Unit Allocation shall be issued at the cost of the Fund at par value of Tk. 10.00 (Taka ten) each within 90 (ninety) days from the date of sale of such units;
4. Money receipt/acknowledgement slip issued at the time of sale of Units will be treated as allotment letter, which shall not be redeemable/transferable;
5. The annual report of the Fund/or its abridged version will be published within 45 (forty-five) days of the closure of each accounting year of the Fund;
6. An annual report and details of investment and savings of the Fund shall be submitted to the Commission, Trustee and Custodian of the fund within 90 (ninety) days from the closure of the accounts;
7. Half-yearly accounts/ financial results of the Fund will be published in at least one English and another Bangla national daily 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 all securities holdings of the fund shall be disclosed in the website of the AMC and will be sent to Unit Holders on quarterly basis within thirty (30) days of each quarter end;
11. After initial public subscription, the sale and repurchase/surrender price of units will be determined by the Asset Management 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. The difference between sale price and repurchase/surrender price shall not exceed 1% of the NAV per unit at fair value of the fund;
12. BSEC may appoint auditors for special audit/ investigation on the affairs of the Fund, if it so desires;
13. The Fund shall maintain separate bank account(s) to keep the sale proceeds of Units and to meet up day-to-day transactions including payment against repurchase of units. All transactions of the account shall be made through banking channel and shall be properly documented;
14. The prospectus/abridged version of the prospectus shall be published in one 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. Initial target size of the fund shall be Tk. 25.00 (twenty five) crore. The Sponsor shall hold at least 10 (ten) percent of the initial target size and shall disclose Sponsor's amount in the offer document/published prospectus. The size of the fund may be increased from time to time by the AMC subject to approval of the Trustee and with intimation to the Commission;
17. If the Asset Manager fails to collect the minimum 40% of the initial target amount under বিধি ৪৬ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, shall refund the subscription money within 30 days without any deduction. In case of failure, the Asset Manager will refund the same with an interest @18 (eighteen) percent per annum from its own account within the next month;
18. On the achievement of 40% of the initial target amount, the fund will be allowed to transfer the money from Escrow Account to Operational Account and to commence investment activities of the fund with permission of the Trustee;



19. The AMC should ensure compliance of বিধি ৪৬ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.
20. Unit allocation of the Sponsor's contribution amount shall be subject to a lock-in period of 01 (one) year from the date of formation of the Fund and then 1/10th of the Sponsor's contribution only shall be subject to a lock-in period of full tenure of the Fund until liquidation;
21. A Confirmation of Unit allocation of the Sponsor's contribution amount 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 December 28, 2021 and be ended on February 10, 2022 as per বিধি of ৪৭ সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.

#### PART-B

Please ensure that the following are adhered to:

1. As per provisions contained in the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, regarding limitation of time on closure of subscription, the initial public subscription will remain open for forty-five days or for a period up to achievement of the initial target amount, whichever is earlier;
2. The paper cutting of the published prospectus and all other published documents/ notices regarding the Unit Fund shall be submitted to the Commission within 24 (twenty four) hours of publication thereof;
3. The asset management company shall submit 20 (twenty) copies of printed prospectus to the Commission for official record;
4. The Asset Management Company shall ensure in writing to the Commission that the prospectus/ abridged version is published correctly and is a verbatim copy of the prospectus/abridged version vetted by the Commission;
5. The expiry date of the sponsor's locked-in portion shall be specifically mentioned on the body of the jumbo confirmation of Unit allocation;
6. The AMC shall apply the spot buying rate (TT clean) of Sonali Bank prevalent on the date of the opening of subscription for conversation of foreign currencies;
7. The AMC shall submit to the Commission a diskette containing the vetted prospectus and its abridged version;
8. All conditions imposed under Section 2CC of the Securities and Exchange Ordinance, 1969 must be complied with and be incorporated in the body of the prospectus and in its abridged version;
9. After due approval by the Trustee regarding issue and formation expenses, the AMC shall submit in detail along with supporting documents to the Commission regarding issue and formation expenses within 15 (fifteen) days of operation of the Fund. The Auditor of the Fund shall also put opinion about the above expense in the initial financial statements of the fund;
10. Bank statement along with the subscriber list, copies of agreements with Custodian and Selling Agents (if applicable) shall be submitted to the Commission within 15 (fifteen) days of the completion of subscription;
11. The investment policy and guideline and information on constituents of Investment Committee of the Fund approved by the Board shall be submitted to the Commission within 30 (thirty) days from the receipt of the Consent Letter. The investment policy and guideline shall include among other issues, the investment delegation power of Chief Executive Officer and the Committee separately and also the meeting resolution presentation process;
12. After due approval of the Trustee, the Asset Manager shall submit the Systematic Investment Plan (SIP) brochure to the Commission complying the Rules within 30 (thirty) days of the issuing of consent letter.

## 1.6 General Information

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

## 1.7 Sale and Repurchase of Units

EDGE AMC Limited will maintain two BO Accounts with BRAC Bank Limited, custodian of EDGE High Quality Income Fund for creation and redemption of units namely “EDGE High Quality Income Fund - Sale of units” and “EDGE High Quality Income Fund – Repurchase of units”.

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

In the case of redemption/Repurchase by the Asset Manager the unit holder will transfer his/her/ the Institutional holders’ units to the “EDGE High Quality Income Fund– Repurchase of units” account. Corresponding Stock Broker of the respective unit holder will debit the unit certificates from the investor’s BO Accounts and transfer it to the “EDGE High Quality Income Fund– Repurchase of units” account. Simultaneously, the payment will be made through A/C payee Cheque or funds will be transferred to investor’s Bank Account through EFT as per the request of the client.

## 1.8 Systematic Investment Plan (SIP)

A Systematic Investment Plan or SIP is a smart and easier mode for investing money in mutual funds. SIP allows an investor to invest a certain pre-determined amount at a regular interval (monthly, quarterly, yearly etc.). A SIP is a planned approach towards investments and helps to inculcate the habit of saving and building wealth for the future.

### **Buy and Surrender SIP Process:**

An investor can invest through SIP either by auto debit system provided against investor’s Bank Account or by providing monthly predetermined cheques via selling agents at a regular interval (monthly, quarterly, yearly etc.). Investor must have a BO Account. Investor will get SIP units in their BO Accounts based on a discount from the latest/ongoing effective Weekly Sale price of the 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, up to 1% discount from the repurchase/ surrender price will be applicable on total accumulated invested amount on the date of cancellation of the scheme. After maturity of SIP, the investor can easily surrender through AMC or Selling Agents.

**Benefits may be offered for Investors as such:**

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

- **Flexibility:** Investor can start SIP with a very small amount that is 1000/2000/3000/4000/5000 or multiple of 1000/500. One can also increase/ decrease the amount being to be invested in regular fashion.
- **Flexible SIP Tenor:** The scheme will be offered for at least 2 years or any other period set by AMC. However, investor can set SIP scheme for 3 years/ 5 years/ 10 years. After this time period the individual scheme will be matured and may surrender or continue holding the Units after maturity. If surrendered, no fees/charges will be charged on surrender and may also offer highest premium over the declared surrendered price.
- **No Minimum lot size:** Under SIP, there will be no minimum lot size 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.
- **Sale at discount and premium at Surrender:** SIP investor may buy units at a discount from weekly Sales Price offered to normal investor. In addition to that SIP investor can 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 will also enjoy CIP units at a discount of prevailing Sales price used for CIP conversion. After CIP conversion, they will get dividend on total number of units in the next year.

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

## **1.9 Declarations**

### **Declarations about the responsibility of the Sponsor**

The sponsor, EDGE AMC Limited, accepts full responsibility for the authenticity and accuracy of the information contained in this Prospectus and other documents regarding EDGE High Quality Income 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 the information contained in this document, drawn up by virtue of the Trust Deed of the Fund by the entrusted Asset Management Company (AMC), have been met and there is no other information or documents, the omission of which may make any information or statements therein misleading.

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

Sd/-

**Mr. Asif Khan, CFA**  
Chairman  
EDGE AMC Limited

### **Declarations about the Responsibility of the Custodian**

We, as Custodian of the EDGE High Quality Income Fund, accept the responsibility and confirm that we shall:

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

Sd/-

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

### **Declarations about the Responsibility of the Asset Manager**

We, as the Asset Manager of EDGE High Quality Income Fund, accept the responsibility and confirm that:

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

- i. The prospectus is in conformity with the documents, materials and papers related to the public offer;
- ii. All the legal requirements of the public offer have been duly fulfilled; and
- iii. The disclosures made are true, fair and adequate for investment decision.

Investors should be aware that the value of investments in the Fund could be volatile and such no guarantee can be made about the returns from the investments that the Fund will make. Like any other equity investment, only investors who are willing to accept a moderate degree of risk, should invest in the Fund. Investors are requested to pay careful attention to the risk factors as detailed in the Risk Factor section and to be aware of the risks associated with any investment in the Fund.

Sd/-

**Ali Imam, CFA**  
Managing Director & CEO  
EDGE AMC Limited

### **Declarations about the Responsibility of the Trustee**

We, as Trustee of the EDGE High Quality Income Fund, accept the responsibility and confirm that we shall

- i. Be the guardian of the Fund, held in trust, for the benefit of the Unit holders in accordance with the Rules and the Trust Deed;
- ii. Always act in the interest of the Unit holders;
- iii. Take all reasonable care to ensure that the Fund floated and managed by the Asset Management Company are in accordance with the Trust Deed and the Rules;
- iv. Make sure that there is no contradiction between Prospectus and Trust Deed & সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১,
- v. Make such disclosures by the Asset Management Company to the investors as are essential in order to keep them informed about any information, which may have any bearing on their investments;
- vi. And take such remedial steps as are necessary to rectify the situation where we have reason to believe that the conduct of business of the Fund is not in conformity with relevant Rules.

Sd/-

**Md. Mizanur Rahman**

Company Secretary

Sandhani Life Insurance Company Limited

1.10 Due Diligence Certificate

**Due Diligence Certificate By Sponsor**  
চতুর্থ তফসিল- (১) এর (জ) [বিধি ৪৩ (৩) দ্রষ্টব্য]

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

Subject: EDGE High Quality Income Fund.

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

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

WE CONFIRM THAT:

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

For Sponsor

Sd/-

**Mr. Asif Khan, CFA**  
Chairman  
EDGE AMC Limited

**Due Diligence Certificate By Trustee**  
চতুর্থ তফসিল- (১) এর (জ) [বিধি ৪৩ (৩) দ্রষ্টব্য]

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

Subject: EDGE High Quality Income Fund.

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

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

**WE CONFIRM THAT:**

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

For Trustee

Sd/-

**Md. Mizanur Rahman**  
Company Secretary  
Sandhani Life Insurance Company Limited

**Due Diligence Certificate By Custodian**  
চতুর্থ তফসিল- (১) এর (জ) [বিধি ৪৩ (৩) দ্রষ্টব্য]

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

Subject: EDGE High Quality Income Fund.

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

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

**WE CONFIRM THAT:**

- a. We will keep all the securities (both listed and Non-listed) and Assets of the “EDGE High Quality Income Fund” including FDR receipts in safe and separate custody as per বিধি ৪১ of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, and will provide highest security for the assets of the Fund;
- b. We shall act as custodian of the fund as mentioned above as per provisions of the custodian agreement executed with the asset management company and shall assume the duties and responsibilities as described in the trust deed of the mentioned fund and other constitutive documents;
- c. We shall also abide by the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ and conditions imposed by the Commission as regards of the fund; and
- d. We shall act to our best for the benefit and sole interests of the unit holders of the fund;

For Custodian

Sd/-

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



**Due Diligence Certificate By Asset Manager**

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

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

Subject: EDGE High Quality Income Fund.

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

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

WE CONFIRM THAT:

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

For the Asset Manager

Sd/-

**Ali Imam, CFA**  
Managing Director & CEO  
EDGE AMC Limited

## Chapter 2: Background

### 2.1 Preamble to Formation of EDGE High Quality Income Fund

Mutual fund is the most popular investment vehicle in the world. An asset management company (AMC) pools funds from individual and institutional investors under a mutual fund structure and then invest in different securities with varying risk-return profiles like stocks, fixed income securities and money market instruments etc. from that mutual fund to generate sustainable wealth for investors/ fund subscribers. An open-end mutual fund issues an “Unit” against the money received from a fund-investor who is interested to invest in the underlying securities but does not have the time and resources to undertake investment research or due-diligence activities. The asset manager of the mutual fund, with adequate professional credential and experience, undertakes the necessary investment research and management role on behalf of the investor. At any point in time, a fund-investor can surrender his/her “Unit” to the asset manager to cash-out the investment balance.

Mutual funds are very efficient risk-taking vehicle in the sense that they provide sufficient diversification benefit to investors even with smaller investable fund which is not available otherwise. By investing in an open-end mutual fund, the investors gain access to a thoroughly researched and professionally managed capital market portfolio without doing the hard-work themselves.

EDGE AMC Limited, a new generation asset management company founded by a group of investment professionals with strong credentials and track-record, is committed to deliver highest-quality investment management services to capital market investors in Bangladesh. EDGE High Quality Income Fund will be third fund managed by EDGE AMC Limited. The first fund – EDGE Bangladesh Mutual Fund – is a balanced fund which has AUM of about BDT 41.0 crore as on October 2021 and generated about 51.1% return since inception in August 2018. The second fund – EDGE AMC Growth Fund has AUM of about BDT 32.6 crore as on October 2021 and generated about 44.9% return since inception in September 2019. EDGE High Quality Income Fund will aim to maximize total investment return with high safety and liquidity-balance by investing principally in a portfolio of fixed and floating rate debt (or fixed income generating) securities and debt obligations issued by government, government-related issuers or corporate entities or NGOs based in Bangladesh.

EDGE AMC Limited is the Sponsor and Asset Manager of the Fund. The other parties include Sandhani Life Insurance Company and BRAC Bank Limited being the Trustee and the Custodian of the Fund, respectively.

### 2.2 The Capital Market of Bangladesh

Bangladeshi stock market posted strong returns since 2000 as the economy kept growing at more than 6% p.a. with leading companies posting stronger earnings growth throughout the cycles. EDGE’s proprietary data suggest that – even with a stock market crash in 2010-11, blue-chip stock composite outperformed other liquid asset-classes significantly since 2000. Strong corporate performance and a number of regulatory reforms implemented by the BSEC helped the country to grow the foreign portfolio investment (FPI) remarkably.

Participation of local institutional investors in the capital market of Bangladesh is not up-to the mark in comparison to peer countries. Pension funds and life insurance companies are hardly participating in the capital market of the country whereas banks’ capital market exposures are closer to their limits. Under such circumstances, retail investors are the ones that are more active but, unfortunately with limited skill and awareness necessary for investment success. Such market structure drives significant market inefficiencies and volatility. The concepts of professional investment management and investing in Mutual Funds are still in their early days in the country. Currently there are only 34 close end mutual funds and about 71 open end

mutual funds in Bangladesh and total AUM is approximately BDT 145.7bn as on October 2021 (representing 3.0% of equity market capitalization), while in India Asset under Management is approximately BDT 42,200.1 bn as on Sep 2021 (representing 14.6% of market capitalization). Mutual Funds will play a big role in institutionalizing the market-structure and distributing sweet-fruits of the capital market in Bangladesh. EDGE High Quality Income Fund is inspired by and aims to fit well into such strategic outlook.

## 2.3 Advantages of Investing in EDGE High Quality Income Fund

EDGE High Quality Income Fund offers following value-propositions to the potential investors:

1. EDGE High Quality Income Fund is ambitious to be the highest integrity investment product available to the target investors by putting Unitholders' interest before any other consideration under all circumstances. Being CFA charter-holders, all three senior executives of EDGE AMC Limited will be adhering to CFA Institute's Code of Ethics and Standards of Professional Conduct in addition to the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, for protecting Unitholders' interest.
2. Diversification contributes to optimize risk-return balance for the investors as it helps them not to put all the eggs in the same basket. EDGE High Quality Income Fund will be offering a value-oriented portfolio, well-diversified into many sectors, companies and securities, principally within the debt-securities market, to generate respectable investment performance with high probability along the interest rate cycle and different market situations.
3. EDGE High Quality Income Fund, through its diversified pool of investments, will provide small investors access to returns of the wider market, which may be very costly for retail investors to achieve individually.
4. EDGE High Quality Income Fund's performance will benefit from EDGE's strong proprietary investment research capability. Senior management executives of the AMC are well-trained in investment management with proven investment research and advisory track-record in Bangladesh for last 10 years. High-quality macro/industry/company databases, financial/ quantitative models and strong corporate access of the management team will generate unique perspective and insight for the Fund to deliver strong performance to its Unitholders.
5. In Bangladesh, mutual funds enjoy a 5% (five percent) reserved quota for Initial Public Offerings (IPOs) under fixed pricing method. For IPOs coming under book-building process, Asset Managers with superior asset valuation skills can bid for significant allocation in IPOs and maximize return for unitholders. IPOs in Bangladesh have historically posted much better time-weighted-returns to subscribers, especially in short-term, and therefore, Unitholders' access to the reserved IPO subscription quota through Mutual Fund investments offers value not available otherwise.
6. The investors will be able to save significantly in transaction costs as he/she will have access to a large number of securities by purchasing a single unit of the mutual fund.
7. Dividend income from the Fund will be tax-free for up to Taka 25,000 as permitted under the Finance Act.
8. Investment in the Fund will qualify for investment tax credit in a range of 10-15% under section 44(2) of the Income Tax Ordinance 1984.
9. Management and operations of mutual funds are subject to strict regulations from the BSEC and the sponsor-appointed Trustee, both of whom closely monitor the performance of the fund. The laws governing mutual funds require exhaustive disclosure to the regulator and general public.
10. EDGE High Quality Income Fund will declare 70% of annual realized earnings as dividends and also offers the investors to choose between receiving cash dividends and cumulative investment plan (CIP) to compound investment balance by minimizing transaction costs. The latter allows the fund manager to reinvest the dividend in the prevailing investment opportunities.

11. Price of the Units of the fund won't be determined by demand and supply in the public market, rather by Net Asset Value (NAV). The AMC will be liable to repurchase the Units surrendered by the Unitholders on the basis of NAV which mitigates Unitholders' liquidation risk.

**2.4 Tax Advantage of investing in EDGE High Quality Income Fund:**

**2.4.1 Tax advantage on Income:**

Income from a mutual fund or a unit fund up to tk. 25,000 (Twenty-Five Thousand) is exempted from tax as per clause 22A of Schedule (Part A) under Income Tax Ordinance 1984.

**2.4.2 Investment Tax credit:**

According to the current Income Tax Ordinance (ITO) 1984, section 44(2)(c), amended in 2016, amount of allowable investment is – actual investment or 25% of the total (taxable) income or BDT 15,000,000 whichever is less.

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

Total Income	Rate of Tax Rebate
Up to BDT 1,500,000	15% of eligible amount.
Above BDT 1,500,000	10% of eligible amount.

**Example:**

An individual earning total annual income BDT 6,800,000 (Sixty-Eight Lac) only in a year may have allowed investment for tax rebate BDT 1,700,000 (BDT 6,800,000 multiplied by 25% allowed). As this amount BDT 1,700,000 is lower than BDT 15,000,000, the person's eligible amount for tax rebate is BDT 1,700,000.

The individual will have total tax rebate calculated as under:

1st BDT 1,500,000.00 of eligible amount at the rate of 15%	= 225,000
Next BDT 2,00,000.00 of eligible amount at the rate of 10%.	= 20,000
Total rebate	= 245,000

This investor can reduce tax liability by BDT 245,000 by investing in this fund.

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

## Chapter 3: The Fund

### 3.1 Formation of the Fund

The trust deed of the Fund was registered on 27th October 2021 under the Trust Act, 1882 and Registration Act, 1908. The Fund was registered by the BSEC on 22nd November 2021 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. Institutional, local and foreign, and individual investors, resident and non-resident, are eligible to invest in this Fund. The initial proposed size of the Fund will be Tk 25,00,00,000.00 (Taka Twenty Five Crore) only divided into 2,50,00,000 (Two Crore Fifty Lakh) Units of Tk 10 (Taka ten) each. Size of the Fund will be increased from time to time by the Asset Manager subject to approval from the Trustee and with due intimation to the BSEC.

### 3.3 Face Value and Denomination

Face value of each Unit will be Tk.10 (Taka Ten) only. Initially, unit holders of the Fund shall be issued with a confirmation of unit allotment letter by the Asset Manager at the cost of the Fund in any denomination but not less than 500 (five hundred) units for individuals and 5,000 (five thousand) units for institutions.

### 3.4 Investment Objective

To maximize total investment return with high safety and liquidity-balance by investing principally in a portfolio of fixed and floating rate debt (or fixed income generating) securities and debt obligations issued by government, government-related issuers or corporate entities or NGOs based in Bangladesh. The Fund will invest only in investment grade debt securities and may also invest in money market instruments, convertible bonds and initial public offerings (IPOs).

### 3.5 Investment Policies

- i. 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 the Bangladesh Bank and/or the Insurance Regulatory & Development Authority (IDRA) of Bangladesh or any other competent authority in this regard.
- ii. Not more than 60% of 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. The fund can invest only in investment grade unlisted securities and after a prior approval of the trustee. The fund shall invest at least 30% of total assets of the fund in government securities or government backed securities in order for prudentially managing risk and liquidity of the fund.
- iii. Not more than 10% of the total assets of the Scheme of the Fund shall be invested in non-listed securities at any particular date. In case of investment in non-listed corporate bonds or pre-IPO placement shares, the asset manager shall obtain approval of the Commission.
- iv. Non-listed securities that are “Investment Grade” and enjoy “Very Strong” credit rating by a licensed credit rating agency are eligible for investment under the Scheme of the Fund.
- v. All money collected under the Fund shall be invested only in encashable and/or transferable instruments or securities whether in money market or capital market or privately placed pre-IPO equity, preference shares, debentures or securitized debts.
- vi. The Fund shall get the securities purchased or transferred in the name of the Fund.
- vii. Only the Asset Management Company will make the investment decisions and place

orders for securities to be purchased or sold for the Scheme's portfolio.

- viii. The Asset Management Company shall choose stock-broker(s) for the purchase and sale of securities for the Fund's portfolio.

### 3.6 Investment Restrictions

- i. The Fund shall not invest more than 10% of its total assets in any one particular company or a group of companies under the control of a parent company. This condition shall not be applicable for investment in Government Securities.
- ii. The Fund shall not invest in more than 10% of paid-up capital (or other securities such as bond or debenture) issued by any company.
- iii. The Fund shall not invest in, or lend to, any scheme under the same Asset Management Company.
- iv. 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.
- v. 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.
- vi. The Fund shall buy and sell securities on the basis of deliveries and shall, in all cases of purchases, take delivery of securities and in all cases of sale, deliver the securities on the respective settlement dates as per the custom and practice of the stock exchanges and shall in no case put itself in a position whereby it has to make short sale or carry forward transaction.
- vii. The Fund shall not involve in option trading or short selling or carry forward transaction.
- viii. The Fund shall not buy its own unit.

### 3.7 Valuation Policy

- i. For listed securities, the average quoted market price on the stock exchanges on the date of valuation shall form the basis of any calculation of Net Asset Value of such securities in the portfolio of the Fund.
- ii. For securitized debts, debentures, margin or fixed deposits, the accrued interest on such instruments on the date of valuation shall be taken into account in any calculation of Net Asset Value of such securities in the portfolio of the Fund.
- iii. The fund shall fix the valuation method for the Scheme in compliance with the International Financial Reporting Standard (IFRS) and subject to the prior approval of the Commission.
- iv. The valuation of non-listed securities will be made by the Asset Management Company in compliance with IFRS and other securities regulations to be approved by the Trustee and commented upon by the Auditors in the annual report of the Scheme.
- v. The valuation of listed securities not traded within previous one month will be made based on their reasonable value by the Asset Management Company and approved by the Trustee and commented upon by the Auditors in the Annual Report of the Scheme of the Mutual Fund but shall not be more than the intrinsic value of the securities.
- vi. 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.
- vii. The Asset Management Company and the Trustee will value the non-listed securities at least once in every three months.
- viii. In case of deferred expenses, accrued expenses for the period will be taken into account for determining total liabilities.
- ix. The Asset Management Company should provide a quarterly valuation report for the non-listed investments to the trustee.

3.8 Net Asset Value (NAV) Calculation

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

Total NAV

= VA - LT

NAV per unit

= Total NAV / No. of units outstanding

VA

= Value of all securities in vault + Value of all securities placed in lien + Cash in hand and at bank + Value of all securities receivables + Receivables of proceeds of sale of investments + Dividend receivables net of tax + Interest/profit receivables deposits net of tax + Issue expenses net of amortization expense as on date + Printing, publication and stationery expenses amortized as on date

LT

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

3.9 Limitation of Expenses

1. All expenses should be clearly identified and appropriated to the Fund.
2. Asset Management Company shall charge Management Fees to the Fund as per the provisions of বিধিমালা, and the directives of Commission from time to time.
3. The Asset Management Company may amortize the initial issue costs of the Fund over a period as provided for in the বিধিমালা - provided that initial issue expenses/Initial Public Offering (IPO) costs shall not exceed 3% of the Fund of the collected amount raised under the Fund.
4. In addition to the fees mentioned hereinabove the Asset Management Company may charge the Scheme of the Fund with the following recurring expenses, namely;
  - a. Marketing and selling expenses including commissions of the 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;
  - 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 or to the Scheme.
5. The expenses referred to hereinabove and any other fees payable or reimbursable to the Asset Management Company or the Trustee shall be charged to the open-end Mutual Fund.

3.10 Price Fixation Policy, Sale & Repurchase Procedure

After completion of initial subscription, the Fund will be made open to the investors for regular buy-sale of Units. The date of re-opening shall be declared by the asset manager upon approval of the Trustee and with due intimation to the BSEC.

The sale and repurchase/surrender price of Units will be determined by the Asset Management Company based on NAV at fair value. The difference between sale price and repurchase/surrender price shall not exceed 1% of the NAV per unit at fair value of the mutual fund.

Sale and repurchase procedure is given below:

- i. The Units of EDGE High Quality Income Fund, hereinafter referred to as the Fund, may be bought and Surrendered through EDGE AMC Limited and authorized selling agents appointed by EDGE AMC Limited from time to time.
- ii. Minimum purchase amount for individual investors is BDT 5,000 (five thousand taka) and for institutional investors it is BDT 50,000 (fifty thousand taka).

- iii. Application for purchase of units should be accompanied by an account payee cheque/ pay order/ bank draft/ electronic fund transfer in favor of “EDGE High Quality Income Fund” for the total value of Units purchased.
- iv. After clearance/encashment of cheque/ draft/ pay order/ electronic fund transfer, units will be allocated in favor of the principal applicant against every purchase with a denomination of number of units proportionate to the prevailing NAV. Units will also be delivered to the Unit holder’s BO account in demat form.
- v. After submitting surrender application for unit redemption, the said units need to be transferred from the Unit holder’s BO account to EDGE High Quality Income Fund’s designated BO account. After receiving the DP40 report, confirming the completion of unit transfer, the client will be paid in 3 (three) working days through account payee cheque or EFT as per client’s request.
- vi. Partial surrender is allowed subject to minimum surrender quantity of 500 (five hundred) units both for individuals and institutions. Upon partial surrender, the Unit holder will be issued with a new Confirmation of Unit Allocation representing the balance of Unit Holding.
- vii. All payments/ receipts in the connection with or arising out of transactions in the units hereby applied for shall be in Bangladeshi Taka.

### **3.11 Winding up Policy**

#### **3.11.1 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.

#### **3.11.2 Manner of Winding Up**

- i. The Trustee shall call a meeting within 30 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 off the assets of the Scheme of the Fund in the best interest of the unit holders. Provided that the proceeds of sale made in pursuance of the 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 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.



### 3.11.3 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

- a. Cease to carry on any business activities of the open-end fund;
- b. Cease to create and cancel unit of the open-end fund;
- c. Cease to issue and redeem units of the open-end fund.

## 3.12 Investment Management

EDGE AMC Limited shall conduct the day-to-day management of the Fund's portfolio as the Asset Manager subject to the provisions laid down in the বিধিমালা and trust deed or any general directions given by the Trustee and/or the Commission. However, EDGE AMC Limited shall have discretionary authority over the Fund's portfolio about investment decisions. (Refer to Section 5.4.1 for details on Investment Management Process).

## 3.13 Dividend Policy

- i. The accounting year of the Fund shall be July 01st to June 30th;
- ii. The Fund shall distribute minimum 70%, or as may be determined by the বিধিমালা 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;
- iii. Net income for period of a mutual fund shall be measured following IFRS and after incorporating all expenses as well as provisions for diminution in the Value of Investments and other assets.
- iv. 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;
- v. Surpluses arising simply from the valuation of investments shall not be available for dividend;
- vi. Dividend warrants will be dispatched within 45 days from the declaration of such dividends and due reporting shall be done in accordance with the বিধিমালা;

## Chapter 4:

# Investment Approach and Risk Control

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

- i. Investments will be pursued in selected sectors based on the investment restrictions, analysis of business cycles and its impact on the general credit quality, interest rate cycles, regulatory landscape, competitive advantage, etc.
- ii. Individual securities will be selected from different selected sectors by focusing on the fundamentals of the business, the industry structure, the quality of management, sensitivity to economic factors, the financial strength of the issuer/originator, term structure analysis, key drivers of cashflows, debt-service coverage ratios, analysis of credit quality and credit rating, debt repayment track record, structure and seniority of the debt instruments under consideration.
- iii. In addition, the Asset Management Company will study the macro-economic conditions, including the political, economic environment and factors affecting liquidity, interest rates and risk premium (or spread) for different qualities of securities.
- iv. Since disciplined investment management requires strong risk management, the Asset Management Company would incorporate adequate safeguards for controlling risks in the portfolio construction process.
- v. Systematic or market risk will be managed by allocating assets between cash and different securities dynamically.
- vi. Specific security-related risk will be reduced through adequate diversification of the portfolio by spreading the investments over a range of industries/ sectors, issuers, duration (or maturity) and structure.
- vii. Liquidity risk will be managed by investing across the yield curve and other short-term money market securities.
- viii. Credit risk will be managed by investing in a diverse portfolio of investment graded securities. Regular credit review and evaluation will be undertaken for securities in the portfolio by monitoring credit rating changes and their underlying drivers.

## Chapter 5: Formation, Management & Administration

### 5.1 Sponsor of the Fund

EDGE AMC Limited will be the Sponsor of the Fund. EDGE AMC Limited was founded in July 2017 and the Company got registration certificate as an asset management company from BSEC in February 2018. As a newly formed asset management company, EDGE is committed to provide high quality investment management services to the capital market investors in Bangladesh. As part of this commitment, EDGE is sponsoring its third mutual fund- EDGE High Quality Income Fund- by deploying significant portion of its capital in the Fund to ensure complete alignment with Unitholders' interest.

### 5.2 Trustee of the Fund

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

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

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

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

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

### 5.3 Custodian of the Fund

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

BRAC Bank has one of the strongest balance sheets among the Bangladesh-based banks which is reflected in Moody's recent assignment of Ba3 rating- the highest rating Moody's assigned for banks in Bangladesh. The bank posted BDT 402.6 crore net profit after tax in 2020 with a balance sheet of BDT 45,659.5 crore at the end of December 2020. The bank has been acting as Custodian to a number of other mutual funds quite successfully since 2010.

### 5.4 Asset Manager

EDGE AMC Limited will be the Asset Manager of the Fund. Founded by a team of investment management professionals with strong track-record, EDGE AMC is committed to deliver strong investment results by harnessing long-term, value investing opportunities by acting as the Asset Manager of the EDGE High Quality Income Fund. This open-end mutual fund will strive continuously to find the best value investment opportunities within the debt securities market in Bangladesh to drive highly stable and sustainable wealth for Unitholders.

### 5.4.1 Investment Management Process

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

#### **Top-down analysis to optimize exposures to asset-classes and economic factors**

- Finding the best asset-classes to invest at prevailing macroeconomic and socio-political context
- Focusing mostly on key macro drivers like growth outlook, trend of financial sector liquidity and interest rates and fiscal and monetary policy changes

#### **Bottom-up focus to find most attractive securities in each asset class**

- Identifying securities mispricing of new information or emerging developments by maintaining the information processing edge.
- Avoiding valuation trap, maintaining buy-sell discipline in line with target fair value estimates
- Maintaining psychological, philosophical and knowledge edge to post reasonable performance throughout market cycle.

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

**Investment research process:** Research Analysts will undertake the following process for generating accurate, timely and actionable research recommendations -

- Screening to a smaller universe of stocks after initial screening
  - Quality of governance and management (to assess how well minority shareholders' right is protected)
  - Focusing on industry leaders with strong business performance and ability to generate cashflow -record
  - Strong balance sheet (cash-rich companies with low debt) with reasonable capital allocation history/ strategy for driving competitive return on investments. Issuers holding greater percentage of liquid and marketable assets with lower debt level are more attractive investment targets versus others.
  - Issuers/ securities belonging to well performing industries and/ or with better credit quality, duration, seniority and structure, optionality perspectives are screened out
  - Assessment of historical repayment track record, analysis of quality and enforceability of underlying securities or collateral, market liquidity
- Understanding fundamentals of underlying business
  - Finding key drivers- decomposing business model, cashflow and performance
  - Understanding long-term competitiveness of the underlying operation
  - Establishing cause-effect relationships among key variables
- Connect with industry insiders e.g. management, distributors, customers for different perspectives
- Estimate long-term outlook of critical variables and drive interlinked business performance indicators
- Determine fair value estimate for the subject security by projecting cashflow and applying appropriate valuation model
- Identify critical investment risks and catalysts for the subject security
- Communication research findings along with fair value estimate and risks to IC meeting

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

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

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

#### 5.4.2 Brief Profile of Team members

##### **Mr. Asif Khan, CFA**

*Chairman*

- Past Role: Former Associate Director at Exotix Capital, one of the biggest frontier market stock brokerage based out of London. More than 10 years of experience with 4.5 years on the Buy side working for NY based hedge fund Caravel Management LLC.
- Achievements: Highly rated analyst for covering ~20 stocks in Bangladesh, Pakistan and Sri Lanka for global institutional investors – named as one of the top three research analyst by Asiamoney in 2017 for Pakistan coverage. Was one of the seven team-members in Caravel to manage \$660 mn- the Fund was ranked as the best emerging market equity fund in the world by Bloomberg in 2012. Led exit from Bangladesh market before 2010-crash.
- Credentials: Graduated Summa Cum Laude from North South University with majors in Finance and Economics. Founder director of CFA Society Bangladesh, member of CFA Institute's Asia Pacific Research Exchange (ARX) society engagement committee and author at the Asif Khan Blog.

##### **Ali Imam, CFA**

*Managing Director & CEO*

- Past Role: Former Research Director at BRAC EPL Stock Brokerage, the pioneer in equity research in Bangladesh with a team of 8 analysts under him. Worked in IFC's Investment team for 2 years and Eastern Bank's proprietary portfolio management team with total experience of 13 years.
- Achievements: Market share of foreign trade increased to 48% from 25% in 1.5 years under his leadership. Conducted highly successful roadshows for BRAC Bank and Grameenphone that lead to substantial price discovery for both stocks. Set up transaction advisory unit and firm's investment advisory arm and directed the team to deliver significant outperformance in clients' portfolio.
- Credentials: BBA with Finance major from Dhaka University and a CFA Charterholder since 2011. Founder director of CFA Society Bangladesh and played crucial role in the formation.

##### **Khandakar Safwan Saad, CFA**

*Chief Investment Officer*

- Past Role: Former Head of Research at BRAC EPL Stock Brokerage. Joined the firm as an analyst in 2010 and has worked in various different roles till 2017.
- Achievements: Provided research advisory services to institutional clients with combined AUM of US\$30mn. Client returns far exceeded benchmark performance. He has managed a large number of investor roadshows in Bangladesh.
- Credentials: Safwan is a CFA Charterholder and has completed his BBA from North South University with Major in Finance & Accounting and Minor in Economics. He graduated Summa Cum Laude with a combined CGPA of 3.91/4.00. Founder director of CFA Society Bangladesh where he served as the Treasurer till June 2018.

**Mohammed Zahid Hossain**

*Chief Compliance Officer*

- Past Role: Former Head of Operations at X-Net Limited, Member of Genesis Technology Group, Joined the firm as a Manager-Finance in 2014 and has worked in various different roles.
- Credentials: Zahid is a finalist of Association of Certified Chartered Accountant (ACCA) and has completed his BBA from American International University-Bangladesh (AIUB) with Major in Finance & Accounting.
- Experience: Mr. Mohammed Zahid Hossain is a Finance & Accounting professional, with a career spanning more than 8 years. He has professional and leadership experience in Audit Services, Financial Services, IT Sector, Budgeting and Forecasting, Treasury and Cash Management, and Strategic Planning.

**S.M. Sadekul Islam**

*Manager - Finance & Operations*

- Past Role: Former Sr. Executive - Accounts at Lakdhanavi Limited, Subsidiary of LTL Holdings Sri-Lanka, Joined the Company as an Executive - Accounts in 2019 and has worked in various different roles.
- Credentials: Sadekul Islam is an ACCA Affiliate (Association of Chartered Certified Accountant) and has completed his Advanced Diploma in Accounting and Business.
- Experience: Mr. S.M. Sadekul Islam is a Finance & Accounting professional, with a career spanning more than 5 years. He has professional and leadership experience in Audit Services, Financial Services, IT Sector, Budgeting and Forecasting, Treasury and Cash Management, and Strategic Planning.

**Mohammed Fuad Zibran**

*Investment Associate*

- Credentials: Bachelor of Business Administration, BRAC University, Major in Finance with an overall CGPA 3.65.
- Experience: Mr. Zibran is a research enthusiast and has worked in various research projects throughout his university years, serving as an Undergraduate Teaching Assistant and as a Research Associate for senior Lecturers and Professors of BRAC University. Prior to joining EDGE AMC Limited, Mr. Zibran worked with Retail Statistics in Bata Shoe Company (Bangladesh) Limited as an Intern.

**5.5 Auditors**

ACNABIN Chartered Accountants having office at BDBL Bhaban (Level 13 & 14), 12 Kawran Bazar Commercial Area, Dhaka-1215, Bangladesh shall be the first auditor of the Fund and the auditor shall be paid a service fee of Tk 50,000 (Taka Fifty Thousand) only, plus applicable VAT (if any), for the first year.

**5.6 Fees and Expenses**

The Fund will pay the fees of Asset Manager, the Trustee and the Custodian together with any other fees, commissions and expenses as may arise from time to time. The Fund will bear its own costs and expenses incurred/accrued in connection with its formation, promotion, registration, CDBL fees, public offering together with certain other costs and expenses incurred in its operation, including without limitation expenses of legal and consulting service, auditing, other professional fees and expenses, brokerage, share/debenture registration expenses and fees due to the BSEC. The Fund shall also bear all the other incidental expenses including printing, publication and stationery relating to its smooth and fair operation. Major expenses of the Fund are detailed as follows:

**5.6.1 Issue and Formation Expenses**

Initial issue and formation expenses are estimated not to be over 3 (three) percent of the collected amount of Tk. 25,00,00,000 (Taka Twenty Five Crore) only. The issue and formation expenses will

be amortized within 7 (seven) years on a straight-line method. The estimated expenses for the issue and formation of the Fund are presented below:

**Estimated Issue and Formation Expenses**

SL	Type of Expenses	Percentage of total target fund	Total Tk.	Sub Total/ Details	Description
1	Formation Fee Payable to AMC	1.00%	2,500,000	Set-fee	Formation fee to AMC on collected fund of approved fund size.
2	Legal & Compliance related Expenses (Application, Registration fees etc.)	0.28%	715,000		
				10,000	BSEC Application fees.
				500,000	BSEC Registration fees (0.2% of Initial Fund Size)
				75,000	Trust Deed Registration related fee.
				37,500	CDBL Fee (Distribution of 2.5 crore unit* BDT 10* 0.00015)
				2,500	CDBL Documentation Fee
				40,000	CDBL Annual Fee
				50,000	Legal advisory Fee
3	Printing & Publication	0.20%	500,000		
				200,000	Publication of abridge version of prospectus and IPO notification on daily newspaper
				200,000	Prospectus printing expenses
				100,000	Designing and Printing of Fund and Scheme Brochures
4	Other Expenses	0.02%	50,000		
	<b>Total</b>	<b>1.51%</b>	<b>3,765,000</b>		

*\* The above costs estimates may vary from the actual numbers. The Trustee shall approve the formation expenditure and will inform BSEC within 15 days of such formation meeting.*

5.6.2 Management Fee

As per the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা,২০০১ the Fund shall pay a management fee to the Asset Management Company @1.00 (one) percent per annum of the weekly average NAV, accrued and payable quarterly.

5.6.3 Trustee Fee

The Trustee shall be paid an annual Trusteeship fee of @ 0.05% of the Net Asset Value (NAV) of the Fund, on semi-annual in advance basis during the life of the fund.

5.6.4 Custodian Fee

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

Asset held with the Custodian	Percentage on average asset size	Proposed maximum fee
For the first BDT 500,000,000	0.05%	BDT 250,000
For the next BDT 250,000,000	0.04%	BDT 100,000
For the next BDT 250,000,000	0.03%	BDT 75,000
For the remaining Amount		BDT 50,000

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

5.6.5 Fund Registration and Annual Fee

The Fund has paid Tk 500,000 (Taka five lac) only to the Bangladesh Securities and Exchange Commission as registration fee. In addition, the Fund will have to pay @ 0.10% of the Fund value or Tk 50,000 (Taka Fifty Thousand), whichever is higher, as annual fee in terms of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.

5.6.6 Commission Payable to Selling Agent(s)

The Fund shall pay commission to the authorized selling agent(s) to be appointed by the Asset Manager at the rate of highest 1.00% (One Percent) on the total face value of unit sales which may change in future with the approval of the trustee. The selling agent commission will be applicable only for sales of unit. It will be not applicable on surrender of units. If individuals are appointed as selling agents by AMC the commission payable to them will vary and fixed as per AMC’s after taking approval from trustee. Please note, selling agent commission applicable for individuals will be not more than 1.00% (One Percent) on the total face value of unit sales.

5.6.7 Audit Fee

The audit fee will be Tk 50,000 (Taka Fifty Thousand only), plus applicable VAT (if any), for the first accounting year and the Trustee will fix fees for subsequent years.

5.6.8 Annual CDBL Fee

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



### **5.6.9 Amortization Expenditure**

The initial issue expenses in respect of the Fund shall not exceed 3 (three) percent of the collected amount of the fund raised under the scheme or any ceiling as determined by the AMC which is approved by the Commission and the Trustee. Initial issue expenses will be amortized within 7 (seven) years on a straight line method.

The total expense charged to any scheme of the fund, except the amortization expenses of initial issue expense and 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 fees payable to the custodian against acquisition or disposal of securities, the annual registration fee 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 outstanding during any accounting year.

### **5.6.10 Brokerage Commission**

Brokerage Commission rate will be 0.18 percent (eighteen basis points) of the total transaction amount which may vary in the future based on market practice.

# Chapter 6:

## Size of the Fund and Rights of Unit Holders

### 6.1 Size of Issue

The initial size of the Fund shall be Tk 25,00,00,000 (Taka Twenty Five Crore) only divided into 1,00,00,000 (One crore) Units of Tk 10 (Taka Ten) each which may be increased from time to time by the Asset Manager subject to approval of the Trustee with due intimation to the Commission till liquidation of the Fund. The initial distribution of the Fund's Unit holding shall be as follows:

Subscriber	Number of Units	Face Value (Taka/Unit)	Amount (BDT)	Status
EDGE AMC Limited	25,00,000	10	2,50,00,000	Subscribed
General Investors	2,25,00,000	10	22,50,00,000	Yet to be Subscribed
Total	2,50,00,000	10	25,00,00,000	

### 6.2 Sponsor's Subscription

EDGE AMC Limited, the Sponsor, has already subscribed Tk 2,50,00,000 (Taka Two Crore Fifty Lakh) only worth of Units equivalent to 25,00,000 (Twenty Five Lacs) Units of Tk 10 (ten) each at par on November 8th 2021, the effective date.

### 6.3 Rights of the Unit holders

#### 6.3.1 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 and on a poll, every Unit holder present in person and/or by a proxy shall have one vote for every Unit of which he holds.

#### 6.3.2 Transfer of Units

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

#### 6.3.3 Periodic Information

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

#### 6.3.4 Accounts and Information

The Fund's financial year will be closed on 30th June every year. Annual report or major head of income and expenditure account and balance sheet in line with schedule VI of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ will be published within 45 days from the closure of each accounting year. Furthermore, the NAV of the Fund, NAV per Unit, any suspension or alteration of the calculation of NAV of the Fund will be published by the asset manager as per বিধিমালা.

#### 6.3.5 Beneficial Interest

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

## Chapter 7: Unit Subscription

### 7.1 Terms and Conditions of Unit Subscription

- i. The Units of EDGE High Quality Income Fund, hereinafter referred to as the Fund, may be bought and Surrendered through EDGE AMC Limited and authorized selling agents appointed by EDGE AMC Limited from time to time.
- ii. Application must be made by an individual (both resident and non-resident), a corporation or company (both local and foreign), a trust or a society (registered in or outside Bangladesh) and not by a minor or a person of unsound mind.
- iii. Joint application by two persons is acceptable. In such case, registration and unit allocation will be in favor of the principal applicant while dividend and others benefit, if any, will be addressed to the bank account of principal applicant mentioned in the application form. In case of death of anyone of the joint holders, only the survivor shall be recognized as having any title of the Units. On death of both the joint holders, the Units will bestow upon the nominee.
- iv. Units can be traded on every business day except Thursday (or the last trading session of the week) and during book closure period of the Fund.
- v. Minimum purchase amount for an individual investor is 500 (Five hundred) Units and for institutional investors it is 5,000 (Five thousand) Units.
- vi. Application for purchase of Units should be accompanied by an account payee cheque/pay order/bank draft/ electronic fund transfer in favor of “EDGE High Quality Income Fund”.
- vii. After clearance/encashment of cheque/draft/pay order/electronic fund transfer, the units will be allocated in favor of the principal applicant against every purchase with a denomination of number of units proportionate to the prevailing NAV (Net Asset Value) of the week. Units will also be delivered to the unit holder’s BO account in demat form.
- viii. Partial surrender is allowed subject to minimum surrender quantity of 500 (five hundred) Units both for individuals and institutions. Upon partial surrender, the Unit holder will be issued with a new Confirmation of Unit Allocation representing the balance of Unit Holding.
- ix. Surrender of Units should be done by transferring units from the Unit holder’s BO account to mutual fund’s designated BO account. The DP40 report will be submitted to the asset manager for confirming the surrender of unit.
- x. The Units may be transferred by way of inheritance/gift and/or by specific operation of the law. In case of transfer, the Fund will charge a nominal fee as decided by the Asset Manager from time to time except in the case of transfer by way of inheritance.
- xi. Dividend may be delivered in cash or by way of Units under Cumulative Investment Plan (CIP) as the applicant mentioned in the application form. If Dividend Option in the Form remains blank, it will be considered as CIP by default.
- xii. All payments/receipts in connection with or arising out of transactions of the Units applied for shall be in Bangladeshi Taka.

Chapter 8:  
Sales Agents

8.1 Name of Selling Agents

The following organization have shown interest and have been appointed to act as the selling agent of the fund by the fund manager:

SI No.	Name of the Selling Agents	Type of Business
1	UCB Capital Management Limited	Brokerage House

The asset manager in future may appoint other organizations as its agent or cancel any of the agent 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 AMC.

8.2 Selling Agents’ Details:

UCB Capital Management Limited

Sl.	Head office and Branch Locations
1	Head Office 6, Dilkusha C/A (1 st Floor) Dhaka- 1000
2	DSE Extension Branch, Room # 633, 9/E DSE Annex Building (5 th Floor), Motijheel C/A, Dhaka 1000
3	Extension of Main office Haque Chamber (8 th Floor, West Side), 3 D.I.T Extension Avenue, Motijheel, Dhaka.
4	Agrabad Branch, Chattogram Ayub Trade Centre (4 th Floor), 1269/B, SK. Mujib Road, Agrabad C/A, Chattogram
5	Sylhet Branch Bengal Shopping Complex (2nd Floor), Sobhanighat, Bishwa Road, Sylhet-3100

8.3 Bankers

BRAC Bank Limited and Midland Bank Limited have been appointed to act as the Bankers’ of the fund by the fund manager. The public subscription money collected from the investors through the Selling Agents will be remitted to the following bank account:

Account Name	EDGE High Quality Income Fund
Account Number	1501 2049 9839 5001
Bank	BRAC Bank Limited
Branch	Gulshan Corporate Branch
Routing Number	060261726
Account Name	EDGE High Quality Income Fund
Account Number	0008 1060 0000 96
Bank	Midland Bank Limited
Branch	Dhanmondi Branch
Routing Number	285261185

## Chapter 9: Forms

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

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



To,  
The Managing Director & CEO  
EDGE AMC Limited  
Rupayan Prime (Unit B-10), House # 2, Road # 7  
Dhanmondi, Dhaka-1205

## APPLICATION FORM TO PURCHASE UNITS - INDIVIDUAL

Asset Manager: EDGE AMC Limited (EDGE)  
(Please read "Terms and Conditions" on reverse carefully)  
**(PLEASE FILL UP THE FORM IN BLOCK LETTERS)**

For Office Use only

Selling Agent's Name: .....  
Registration No: .....  
Sale No: .....

### Please select the fund you want to invest

- ☐ EDGE AMC Growth Fund ☐ EDGE Bangladesh Mutual Fund  
☐ EDGE Al-Amin Shariah Consumer Fund ☐ **EDGE High Quality Income Fund**

I/ we would like to purchase ..... units of the Fund at a price of BDT ..... per unit, prevailing on the sale date.....  
I/ we have enclosed following instrument(s) with the application.

Cheque/P.O./D.D No: ..... or BEFTN/NPSB/ RTGS Tx ID: .....

Bank: ..... Branch: ..... Routing No: .....

Total amount in BDT ..... in words .....

### Principal Applicant

Mr ☐ Mrs ☐ Ms ☐

Name .....  
Father ..... Mother .....  
Occupation ..... NID/ Passport ..... Date of Birth DD / MM / YYYY  
Address .....  
Email ..... Mobile ..... ETIN .....

### Joint Applicant (if any) / Guardian (if Nominee is a minor)

Mr ☐ Mrs ☐ Ms ☐

Name .....  
Father ..... Mother .....  
Occupation ..... NID/ Passport ..... Date of Birth DD / MM / YYYY  
Address .....  
Email ..... Mobile ..... ETIN .....

### Other Information

Bank ..... Branch ..... Account No .....  
BO ID ..... Sales Proceed ☐ Cheque ☐ BEFTN/ Online Transfer ☐  
Dividend ☐ Cash ☐ CIP (in the form equivalent amount of units) ☐ Mode of Operation ☐ Joint ☐ Single ☐ Investment Option ☐ SIP ☐ non SIP ☐

### Nominee 1

Mr ☐ Mrs ☐ Ms ☐

Name .....  
NID .....  
Mobile .....  
Email .....  
Address .....  
Relation ..... % of Allocation .....

### Nominee 2

Mr ☐ Mrs ☐ Ms ☐

Name .....  
NID .....  
Mobile .....  
Email .....  
Address .....  
Relation ..... % of Allocation .....

### Acknowledgement (For official use only)

☐ EDGE Bangladesh Mutual Fund ☐ EDGE AMC Growth Fund ☐ **EDGE High Quality Income Fund** ☐ EDGE Al-Amin Shariah Consumer Fund

Certified that this selling agent has received following instrument(s) for an amount of BDT ..... ( in words .....  
.....) from Mr / Mrs / Ms ..... being the application  
money for ..... units of the Fund on .....

Cheque/P.O./D.D No: ..... or BEFTN/NPSB/ RTGS Tx ID: .....

Bank: ..... Branch: ..... Routing No: .....

Selling Agent's Signature (with seal)  
Selling Agent ID No

Sale No: .....

Authorized Person's Signature  
(Name & Designation)

**Documents Enclosed**

- ☐ NID/ Passport (Applicant & Nominee)      ☐ BO Acknowledgement      ☐ Passport size Photograph (Applicant 2 copies, Nominee 1 copy)  
☐ ETIN Certificate (Applicant)      ☐ Photocopy of blank cheque leaf

**Photograph(s)**

Principal Applicant

Joint Applicant (if any)

Nominee 1's Photograph  
Attested by  
Principal Applicant

Nominee 2's Photograph  
Attested by  
Principal Applicant

**Terms and Conditions**

- Units of the mutual fund may be bought and surrendered through EDGE AMC Limited and authorized selling agents from time to time.
- Subscription application may be made by an individual (both resident and non-resident), a corporation or company (both local and foreign), a trust or a society (registered in or outside of Bangladesh) and not by a minor or a person of unsound mind.
- Joint application is acceptable by two persons, Registration and Unit Allocation will be in favor of the principal applicant while dividend and others benefits, if any, will be addressed to the bank account of principal applicant mentioned in the application form. In case of death of anyone of the joint holders, only the survivor shall be recognized as having any title of the Units. On death of both the joint holders, the Units will bestow upon the nominee.
- Units can be traded on every business day except Thursday and during book closure period of the Fund.
- Minimum purchase amount of an individual investor is 500 (five hundred) Units and 5,000 (five thousand) Units for an institution.
- Application for purchase of Units should be accompanied by an account payee cheque/ pay order / bank draft/ online fund transfer as approved by the regulatory authority in favor of the mutual fund.
- After clearance/ encashment of cheque/ pay order/ bank draft/ online fund transfer, the units will be allocated in favor of the principal applicant against every purchase with a denomination of number of proportionate to the prevailing NAV (Net Asset Value) of the week. Units will also be delivered to the unit holder's BO account in demat form.
- Partial surrender is allowed subject to minimum surrender quantity of 500 (five hundred) Units both for individuals and institutions. Upon partial surrender, the Unit holder will be issued with a new Confirmation of Unit Allocation representing the balance of Unit Holding.
- Surrender of Units should be done by transferring units from the Unit holder's BO account to mutual fund's designated BO account. The DP40 report will be submitted to the asset manager for confirming the surrender of units.
- The Units may be transferred by way of inheritance/ gift/ and/ or by specific operation of the law. In case of transfer, the Fund will charge a nominal fee as decided by the asset manager from time to time except in the case of transfer by way of inheritance.
- Dividend may be delivered in cash or by way of Units under Cumulative Investment Plan (CIP) as the applicant mentioned in the application form. If Dividend Option in the Form remains blank, it will be considered as CIP by default.
- All payments in connection with or arising out of transactions in the Units hereby applied for shall be in BDT.

**Applicant's Signature(s)**

I/ we confirm that I/we have received the Confirmation of Unit Allocation Mentioned above and also that I/we agree to abide by the terms cited above as may be altered, replaced and modified from time to time by EDGE AMC Limited. I/ We also understand the fundamentals of Mutual Fund and the flowcharts, enclosed with this application form.

**Principal Applicant****Joint Applicant (if any)****Nominee 1****Nominee 2 (if any)**

Date of Application: .....

**EDGE AMC Limited**

Rupayan Prime (Unit B-10), House 2, Road 7, Dhanmondi, Dhaka- 1205, Bangladesh  
 Contact: 88 02 9612 606, E-mail: info@edgeamc.com, Website: www.edgeamc.com



## APPLICATION FORM TO PURCHASE UNITS - INSTITUTION

Asset Manager: EDGE AMC Limited (EDGE)  
(Please read "Terms and Conditions" on reverse carefully)  
(PLEASE FILL UP THE FORM IN BLOCK LETTERS)

To,  
The Managing Director & CEO  
EDGE AMC Limited  
Rupayan Prime (Unit B-10), House # 2, Road # 7  
Dhanmondi, Dhaka-1205

### For Office Use only

Selling Agent's Name: .....  
Registration No: .....  
Sale No: .....

### Please select the fund you want to invest

- ☐ EDGE AMC Growth Fund ☐ EDGE Bangladesh Mutual Fund  
☐ EDGE Al-Amin Shariah Consumer Fund ☐ EDGE High Quality Income Fund

I/ we would like to purchase ..... units of the Fund at a price of BDT ..... per unit, prevailing on the sale date.....  
I/ we have enclosed following instrument(s) with the application.

Cheque/P.O/D.D No: ..... or BEFTN/NPSB/ RTGS Tx ID: .....

Bank: ..... Branch: ..... Routing No: .....

Total amount in BDT ..... in words .....

### Institution's Credential

Name of Institution																													
Type of Institution	<input type="checkbox"/> Local Company	<input type="checkbox"/> Foreign Company	<input type="checkbox"/> Society	<input type="checkbox"/> Trust	<input type="checkbox"/> Other																								
Company Registration																			ETIN										
Contact Person											Mobile											Email							
Address																													
Name of MD/ CEO																													

### Details of Authorised Person(s)

	Name	Designation	Contact	Signature
1		MD/ CEO		
2				
3				

### Other Information

Bank		Branch		Account No						
BO ID					Sales Proceed	Cheque	BEFTN/ Online Transfer			
Dividend	Cash		CIP (in the form equivalent amount of units)		Mode of Operation	Joint	Single	Investment Option	SIP	non SIP

### Acknowledgement (For official use only)

☐ EDGE Bangladesh Mutual Fund ☐ EDGE AMC Growth Fund ☐ EDGE High Quality Income Fund ☐ EDGE Al-Amin Shariah Consumer Fund

Certified that this selling agent has received following instrument(s) for an amount of BDT ..... ( in words ..... ) from ..... being the application money for ..... units of the Fund on .....

Cheque/P.O/D.D No: ..... or BEFTN/NPSB/ RTGS Tx ID: .....

Bank: ..... Branch: ..... Routing No: .....



#### Documents Enclosed

- |   |  |   |
|---|--|---|
| <input type="checkbox"/> Memorandum and Article of Association              | <input type="checkbox"/> Extract of Board Resolution | <input type="checkbox"/> Trade License/ Trust Deed    |
| <input type="checkbox"/> Power of Attorney in Favor of Authorized Person(s) | <input type="checkbox"/> E-TIN Certificate           | <input type="checkbox"/> Certificate of Incorporation |

#### Photograph

MD/ CEO

1<sup>st</sup>  
Authorized  
Person

2<sup>nd</sup>  
Authorized  
Person

#### Terms and Conditions

- Units of the mutual fund may be bought and surrendered through EDGE AMC Limited and authorized selling agents from time to time.
- Subscription application may be made by an individual (both resident and non-resident), a corporation or company (both local and foreign), a trust or a society (registered in or outside of Bangladesh) and not by a minor or a person of unsound mind.
- Units can be traded on every business day except Thursday and during book closure period of the Fund.
- Minimum purchase amount of an individual investor is 500 (five hundred) Units and 5,000 (five thousand) Units for an institution.
- Application for purchase of Units should be accompanied by an account payee cheque/ pay order / bank draft/ online fund transfer as approved by the regulatory authority in favor of the mutual fund.
- After clearance/ encashment of cheque/ pay order/ bank draft/ online fund transfer, the units will be allocated in favor of the applicant against every purchase with a denomination of number of proportionate to the prevailing NAV (Net Asset Value) of the week. Units will also be delivered to the unit holder's BO account in demat form.
- Partial surrender is allowed subject to minimum surrender quantity of 500 (five hundred) Units both for individuals and institutions. Upon partial surrender, the Unit holder will be issued with a new Confirmation of Unit Allocation representing the balance of Unit Holding.
- Surrender of Units should be done by transferring units from the Unit holder's BO account to mutual fund's designated BO account. The DP40 report will be submitted to the asset manager for confirming the surrender of units.
- The Units may be transferred by way of inheritance/ gift/ and/ or by specific operation of the law. In case of transfer, the Fund will charge a nominal fee as decided by the asset manager from time to time except in the case of transfer by way of inheritance.
- Dividend may be delivered in cash or by way of Units under Cumulative Investment Plan (CIP) as the applicant mentioned in the application form. If Dividend Option in the Form remains blank, it will be considered as CIP by default.
- All payments in connection with or arising out of transactions in the Units hereby applied for shall be in BDT.
- Application by Charitable Organization / Provident Fund / Trust must be accompanied by the relevant documents as mentioned in the application form and the power of Attorney in favor of the person(s) signing the application should be attached.

#### Applicant's Signature(s)

I/ we confirm that I/ we have received the Acknowledgement against my/ our investment in the Fund and agree that I/ we will abide by all the terms cited above which may be altered, replaced and modified from time to time by EDGE AMC Limited as per regulatory requirements. I/ We also understand the fundamentals of Mutual Fund and the flowcharts, enclosed with this application form.

MD/CEO

1st Authorized Person

2nd Authorized Person

Date of Application: .....

#### EDGE AMC Limited

Rupayan Prime (Unit B-10), House 2, Road 7, Dhanmondi, Dhaka- 1205, Bangladesh  
Contact: 88 02 9612 606, E-mail: info@edgeamc.com, Website: www.edgeamc.com



To,  
The Managing Director & CEO  
EDGE AMC Limited  
Rupayan Prime (Unit B-10), House # 2, Road # 7  
Dhanmondi, Dhaka-1205

## APPLICATION FORM TO SURRENDER UNITS

Asset Manager: EDGE AMC Limited (EDGE)  
(Please read "Terms and Conditions" on carefully)  
(PLEASE FILL UP THE FORM IN BLOCK LETTERS)

For Office Use only

Selling Agent's Name: .....

Registration No: .....

Surrender No: .....

### Please select the fund you want to surrender

☐ EDGE AMC Growth Fund

☐ EDGE Al-Amin Shariah Consumer Fund

☐ EDGE Bangladesh Mutual Fund

☐ EDGE High Quality Income Fund

My/our surrender request is summarized below:

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

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).

### Unit holder's Information

Name															
Broker House													DP ID		
Contact Person					Phone					Email					
Bank					Branch					Account					

### Terms and Conditions

1. The Units of Fund may be surrendered through EDGE AMC Limited and authorized selling agents from time to time.
2. 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.
3. Minimum surrender quantity is 500 (five hundred) Units for both individual and institutional unit holders.
4. Partial surrender is allowed without any additional cost subject to minimum surrender quantity of 500 (five hundred) Units both for individuals and institutions. Upon partial surrender, the unit holder will be issued with a new Confirmation of Allocation representing the balance of his /her Unit holding.
5. Surrender of Units should be done by transferring units from the Unit holder's BO account to mutual fund's designated BO account. The DP40 report will be submitted to the asset manager for confirming the surrender of units.
6. 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.
6. 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 seven working days. In case of joint holding, account payee cheque may be issued in favor of principal holder.

### Signature

I/ we confirm that I/we have received the Confirmation of Unit Allocation (if any) as mentioned above and also that I/we agree to abide by the terms cited above as may be altered, replaced and modified from time to time by EDGE AMC Limited.

Date of Application: .....

Joint Applicant (if any)

Principal Applicant

### For office use only

#### Checked and Verified by

Name: ..... Signature: .....

Unit holder's Bank Account No: ..... Routing No: ..... Bank: .....

#### Payment Instruction

Cheque/ BEFTN Tx ID: ..... Bank: ..... Date: .....

### Acknowledgement (For official use only)

☐ EDGE Bangladesh Mutual Fund

☐ EDGE AMC Growth Fund

☐ EDGE High Quality Income Fund

☐ EDGE Al-Amin Shariah Consumer Fund

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

Registration No: ..... Name: .....

1. Holding Quantity: ..... Surrendered Quantity: ..... Surrender Price: ..... Confirmation of Unit Allocation No: .....

2. Holding Quantity: ..... Surrendered Quantity: ..... Surrender Price: ..... Confirmation of Unit Allocation No: .....



To,  
The Managing Director & CEO  
EDGE AMC Limited  
Rupayan Prime (Unit B-10), House # 2, Road # 7  
Dhanmondi, Dhaka-1205

## APPLICATION FORM TO TRANSFER UNITS

Asset Manager: EDGE AMC Limited (EDGE)  
(Please read "Terms and Conditions" on reverse carefully)  
(PLEASE FILL UP THE FORM IN BLOCK LETTERS)

For Office Use only

Selling Agent's Name: .....

Registration No: .....

Transfer No: .....

### Please select the fund you want to transfer

☐ EDGE AMC Growth Fund

☐ EDGE Bangladesh Mutual Fund

☐ EDGE Al-Amin Shariah Consumer Fund

☐ EDGE High Quality Income Fund

### Transferor

I/ we ..... hereinafter referred to as transferor, am/ are unit holder of ..... units of the mentioned Fund. I/ we would like to transfer ..... units (in words ..... to the following person, hereinafter referred to as transferee. My/our transfer request is summarized below:

Sl No	Number of Units Held	Units to be Transferred			Confirmation of Unit Allocation No.
		No. of Units	Prevailing NAV/ unit	Total Transfer Value	

### Transferee- Principal Applicant

Mr ☐ Mrs ☐ Ms ☐

Name .....  
Father ..... Mother .....  
Occupation ..... NID/ Passport ..... Date of Birth DD / MM / YYYY  
Address .....  
Email ..... Mobile ..... ETIN .....

### Transferee- Joint Applicant (if any) / Guardian (if Nominee is a minor)

Mr ☐ Mrs ☐ Ms ☐

Name .....  
Father ..... Mother .....  
Occupation ..... NID/ Passport ..... Date of Birth DD / MM / YYYY  
Address .....  
Email ..... Mobile ..... ETIN .....

### Other Information

Bank ..... Branch ..... Account No .....  
BO ID ..... Sales Proceed Cheque BEFTN/ Online Transfer  
Dividend Cash CIP (in the form equivalent amount of units) Mode of Operation Joint Single Investment Option SIP non SIP

### Acknowledgement

☐ EDGE Bangladesh Mutual Fund ☐ EDGE AMC Growth Fund ☐ EDGE High Quality Income Fund ☐ EDGE Al-Amin Shariah Consumer Fund

Certified that this selling agent/ bank has received a request for transferring ..... Units of the mentioned Fund from ..... to .....

Selling Agent's Signature (with seal)  
Selling Agent ID No. ....

Transfer No: .....

Authorized Person's Signature  
(Name & Designation)

Nominee 1			Mr	Mrs	Ms	Nominee 2			Mr	Mrs	Ms
Name						Name					
NID						NID					
Mobile						Mobile					
Email						Email					
Address						Address					
Relation		% of Allocation			Relation		% of Allocation				

Document Enclosed

- ☐ NID/ Passport (Applicant & Nominee)
- ☐ BO Acknowledgement
- ☐ Passport size Photograph (Applicant 2 copies, Nominee 1 copy)
- ☐ ETIN Certificate (Applicant)
- ☐ Photocopy of blank cheque leaf

Photograph(s)

Transferee- Principal Applicant	Transferee- Joint Applicant (if any)	Nominee 1 of Transferee	Nominee 2 of Transferee
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Terms and Conditions

- Transfer of Units is allowed through EDGE AMC Limited and authorized selling agents from time to time.
- 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 EDGE AMC Limited from time to time except in the case of transfer by way of inheritance.
- 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 of Unit Allocation(s) as well as the information provided in the transfer Form, the Asset Manager or the respective authorized selling agent will deliver the new Confirmation of Unit Allocation in the name of Transferee within a period of seven working days. If there are any Units left with the transferor after such transfer, the Asset Manager will issue a new Confirmation of Unit Allocation for the remaining Units in the name of the Transferor.
- The conditions applicable for initial Confirmation of Unit Allocation will apply even after transfer of Units in the name of Transferee.

Applicant's Signature(s)

I/ we, the said transferee, have received the above mentioned Confirmation of Unit Allocation and do hereby agree to accept the said Confirmation of Unit Allocation on the same terms and condition on which they were held by the said transferor. I/ we also understand the fundamentals of mutual fund and the flowcharts, enclosed with this application form.

Transferor	Transferee	Joint Applicant (If any)	Nominee 1	Nominee 2 (if any)
Date of Application: ...../...../.....				