

MIDLAND BANK BALANCED FUND



Balanced
Risk

PROSPECTUS

PROSPECTUS

MIDLAND BANK BALANCED FUND

AN OPEN-ENDED MUTUAL FUND SCHEME

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|-----------------------------|--|
| Initial size of issue | BDT 25,00,00,000.00 (Taka Twenty-Five Crore) |
| Initial number of Units | 2,50,00,000 (Two Crore Fifty Lakh) Units |
| Initial offer price | BDT 10.00 (Taka Ten) per Unit |
| Sponsor's contribution | BDT 2,50,00,000.00 (Taka Two Crore Fifty Lakh) |
| Initial public offering | BDT 22,50,00,000.00 (Taka Twenty-Two Crore Fifty Lakh) |
| Initial subscription period | From February 01 to April 12, 2026 |

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| Sponsor: Midland Bank PLC. Registered Office: N.B. Tower (Level 6 to 9) 40/7, North Avenue, Gulshan-2, Dhaka – 1212, Bangladesh. | Trustee: Sandhani Life Insurance Co. Ltd. Registered Office: Sandhani Life Tower Rajuk Plot 34, Bangla Motor, Dhaka 1000. | Asset Manager: Midland Bank Asset Management Co. Ltd. Registered Office: N.B. Tower (Level 14) 40/7, North Avenue, Gulshan-2, Dhaka – 1212, Bangladesh. | Custodian: Commercial Bank of Ceylon PLC. Registered Office: Hadi Tower, House No. NW(K)-1, Road No. 50, Kemal Ataturk Avenue, Gulshan-2, Dhaka-1212, Bangladesh. |

Prospectus publication date: January 28, 2026

Investors are strongly advised to carefully read the prospectus, particularly the risk factors, prior to making any investment decisions

This Prospectus has been prepared to provide prospective investors with material information regarding the Midland Bank Balanced Fund (“the Fund”). Investors are strongly advised to review this document in its entirety prior to making any application for Units and to retain it for future reference.

Investment in the Fund involves inherent risks. As with all capital market investments, there exists the possibility of loss of the principal amount invested. The value of Units may fluctuate in response to market movements, and there is no assurance that the Fund will achieve its stated investment objectives or that investors will recover the full amount of their original investment. Prospective investors are therefore urged to examine carefully the section entitled “Risk Factors” within this Prospectus and to take due account of the potential risks prior to making any investment decision.

The Sponsor, Asset Manager, Trustee, Custodian or the Fund is not guaranteeing any returns.

The particulars of the Fund have been prepared in accordance with বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫ as amended till to date and filed with Bangladesh Securities and Exchange Commission.

“সুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন।”
“Investments in Mutual Funds is subject to market risk”

EXECUTIVE SUMMARY

Midland Bank Asset Management Company Limited (referred to as MDBAMC) is delighted to launch its second open-ended mutual Fund, the Midland Bank Balanced Fund, with an initial Fund size of BDT 25 Crore. Midland Bank PLC. will serve as the sponsor, while MDBAMC will manage the Fund. The Fund will be overseen by Sandhani Life Insurance Company Ltd as the Trustee and Commercial Bank of Ceylon PLC as the Custodian. This Fund operates as a 'continuous offer,' allowing investors the flexibility to subscribe and redeem Units at their convenience. To enhance investor experience, the units of the Fund can also be subscribed and/or redeemed at the online investors' portal at: <https://invest.midlandamcbd.net>.

Managed by a team of experienced investment professionals with a proven track record, MDBAMC is committed to delivering strong investment results by capitalising on disciplined, long-term value investing opportunities for our Unitholders. Our executives, who have CFA designation and are pursuing CFA designation and hold professional chartered accountancy qualifications, i.e., FCCA, possess the required expertise and commitment necessary to safeguard Unitholder interests under all circumstances, guided from the top by credible veteran bankers from Bangladesh's banking sector, having expertise in top global investment banks. In alignment with this commitment, Midland Bank PLC. will sponsor Midland Bank Balanced Fund, aimed at extending the economic benefits of the Bangladesh capital market to a broader audience.

MDBAMC is guided by a 'Value Investing' philosophy, firmly rooted in Fundamental analysis. This philosophy is centred on the identification of securities that are deemed to be undervalued, issued by businesses with a demonstrable 'economic moat' or other sustainable competitive advantages. The investment process is conducted through comprehensive macroeconomic and equity research, with due regard to ensuring that investee companies maintain robust corporate governance practices.

The primary objective of the Midland Bank Balanced Fund is to deliver superior risk-adjusted returns over the long term. In pursuit of this objective, the Fund shall:

- i. Undertake optimal asset allocation in line with prevailing macroeconomic and market conditions; and
- ii. Invest in value generating undervalued securities with the capacity to generate sustainable earnings and cash flows over an extended horizon.

In addition to its investment objectives, the Fund will offer Unitholders specific tax advantages who are eligible, including a tax exemption on capital gains up to BDT 5,000,000 for individuals investing in the Midland Bank Balanced Fund. The fund will also have preferential access to initial public offering (IPO) subscriptions, in accordance with applicable laws and regulations.

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FUND DIRECTORY

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| Registered Office of the Fund | Midland Bank Asset Management Company Limited N.B. Tower (Level 14), 40/7, North Avenue, Gulshan-2, Dhaka-1212, Bangladesh Tel: + 88 096 17172300-303 Website: www.midlandamcbd.net |
| Sponsor | Midland Bank PLC. N.B. Tower (Level 6 to 9), 40/7, North Avenue, Gulshan-2, Dhaka-1212, Bangladesh Tel: + 88 02 55045193-95 Website: www.midlandbankbd.net |
| Asset Manager | Midland Bank Asset Management Company Limited N.B. Tower (Level 14), 40/7, North Avenue, Gulshan-2, Dhaka-1212, Bangladesh Tel: + 88 096 17172300-303 Website: www.midlandamcbd.net |
| Trustee | Sandhani Life Insurance Co. Ltd. Sandhani Life Tower Rajuk Plot 34, Bangla Motor, Dhaka-1000 Tel: + 88 02 55168181-5, 9611197, 9664931, 9661241 Website: www.sandhanilife.com |
| Custodian | Commercial Bank of Ceylon PLC. Hadi Tower House No. NW(K)-1, Road No. 15, Kamal Ataturk Avenue, Gulshan-2, Dhaka-1212 Tel: + 88 0222 6606601-10 Website: www.combank.net.bd |
| Auditor | Hoda Vasi Chowdhury & Co. Chartered Accountants BTMC Bhaban (6 th & 7 th Floor), 7-9 Karwan Bazar C/A, Dhaka-1215, Bangladesh Tel: +88 02 48721255, 8189323-24, 58150218, 48110980 Website: www.hodavasi.com |
| Banker | Commercial Bank of Ceylon PLC Panthapath Branch Royal Tower (1st Floor), 4 Panthapath C/A, Dhaka-1205. Tel: +(88) 096 66 410 911, +(88) 096 11 410 911 |
| Selling Agents | The asset manager reserves the right to appoint or dismiss Selling Agent(s) in the future, subject to approval from the Trustee and proper notification to the Bangladesh Securities and Exchange Commission (BSEC). |

DEFINITIONS AND ELABORATIONS OF ABBREVIATED TERMS

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| Rule / বিধিমালা | : | বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫ |
| Act | : | বাংলাদেশ সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন আইন, ১৯৯৩ |
| Application Form | : | A form meant to be used by an investor/Unitholder to purchase Units of the Scheme. |
| Asset Manager / Asset Management Company / AMC / Fund Manager / Investment Manager / MDBAMC | : | Midland Bank Asset Management Company Limited |
| BB | : | Bangladesh Bank |
| BDT/ BDT | : | Bangladeshi Taka |
| Book Closure | : | Sale and repurchase of Units by Asset Management Company (AMC) and Selling Agents shall remain closed during the month of July unless the Commission decides otherwise |
| BO A/C | : | Beneficiary Owner's Account or Depository Account |
| BSEC | : | Bangladesh Securities and Exchange Commission |
| Business Day | : | A day not being: (1) A weekend; (2) A day on which the stock exchanges are closed; (3) A day on which subscription and redemption of Units are suspended or a book closure period / record date announced by the Trustee / AMC; or (4) A day on which normal business cannot be transacted due to unavoidable circumstances or such other events as the AMC may specify from time to time; (5) A day on which banks are closed. |
| CAGR | : | Compound Annual Growth Rate |
| CEO | : | Chief Executive Officer |
| CDBL | : | Central Depository Bangladesh Limited |
| CIP | : | Cumulative Investment Plan |
| Commission | : | Bangladesh Securities and Exchange Commission |
| Companies Act | : | কোম্পানি আইন, ১৯৯৩ |
| Confirmation of Unit Allocation | : | Letter confirming allocation of Units |
| COO | : | Chief Operating Officer |
| CSE | : | Chittagong Stock Exchange Limited |
| Custodian | : | Commercial Bank of Ceylon PLC. |
| Dividend | : | Distributable income distributed by the Fund, when and where applicable. |
| DSE | : | Dhaka Stock Exchange Limited |
| Effective Date | : | The date of registration of the Trust Deed |
| EPU | : | Earnings Per Unit |
| FC Account | : | Foreign Currency Account |
| FI | : | Financial Institutions |
| Government | : | The Government of the People's Republic of Bangladesh |
| IDRA | : | Insurance Development & Regulatory Authority |
| IFRS | : | International Financial Reporting Standards |

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| IPO | : | Initial Public Offering |
| Issue | : | Public issue |
| Mutual Fund / The Fund / Unit Fund / Open End Mutual Fund | : | Midland Bank Balanced Fund |
| Sales Agent / Selling Agent | : | MDBAMC designated official points for accepting transaction /service requests from investors. |
| MD | : | Managing Director |
| NAV | : | Net Asset Value |
| NBFI | : | Non-Banking Financial Institution |
| NBR | : | National Board of Revenue |
| Net Assets | : | The excess of assets over liabilities of the Fund |
| Net Asset Value per Unit | : | Per Unit value of the Fund arrived at by dividing the net assets by the outstanding number of Units of the Fund |
| Non-Resident Bangladeshi / NRB | : | 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 |
| Offer / Offering Price | : | Price of the Units of the Fund being offered to investors |
| Offer Document | : | Document issued by Midland Bank Balanced 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 the offer document. On issuance of any such addendum, prior approval from BSEC is required and the offer document will be deemed to be updated. |
| Ongoing Offer Period | : | Offer of the Fund Units after the closure of the initial offer period |
| Prospectus | : | The advertisements or other marketing materials or 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 Fund. |
| Purchase / Subscription | : | Subscription to / purchase of Units of the Fund |
| Purchase Price | : | The price calculated in the manner provided in this offer document, at which the Units can be purchased. |
| Repurchase | : | Repurchase of Units by the Fund from Unitholder(s) |
| Repurchase Price | : | The price at which the Units can be redeemed/repurchased and calculated in the manner provided in this offer document. |
| Selling Agents | : | AMC designated official points for accepting any transaction/service requests form the investors |
| SIP | : | Systematic Investment Plan |
| Sponsor | : | Midland Bank PLC. |
| Trustee / Guardian | : | Sandhani Life Insurance Co. Ltd. |
| Unit Certificate / Certificate | : | Certificate of the Fund in dematerialised form under CDBL |
| Unitholder | : | A person holding the Units of Midland Bank Balanced Fund offered under this offer document. |

Interpretation:

For the purposes of this Prospectus, and unless the context otherwise requires or is expressly stated to the contrary:

- Words importing the singular shall include the plural, and words importing the plural shall include the singular.
- Words importing the masculine gender shall include the feminine and vice versa.
- References to “Crore” shall mean ten million (10,000,000), and references to “Lakh” or “Lac” shall mean one hundred thousand (100,000).

All terms used herein shall be construed in accordance with the applicable provisions of বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫, the Trust Deed, and other governing documents of the Fund.

FUND HIGHLIGHTS

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| Name | Midland Bank Balanced Fund |
| Nature | Open-ended mutual fund with a balanced investment approach, allocating assets across equity and fixed income securities |
| Life and Size of the Fund | Perpetual life and unlimited size |
| Sponsor | Midland Bank PLC. |
| Asset Manager | Midland Bank Asset Management Company Limited |
| Trustee | Sandhani Life Insurance Co. Ltd. |
| Custodian | Commercial Bank of Ceylon PLC. |
| Initial Size of the Fund | BDT 25,00,00,000 (Taka Twenty-Five Crore) divided into 2,50,00,000 (Two Crore Fifty Lakh) Units of BDT 10 (Taka Ten) each |
| Face Value | BDT 10 (Taka Ten) per Unit |
| Objective | The Fund aims to deliver a balanced mix of growth and income by investing across equity and fixed income securities. This diversified approach is intended to provide long-term capital appreciation while maintaining relative stability through prudent asset allocation and disciplined risk management. |
| Minimum Application Amount | BDT 5,000.00/- per application (or 500 Units) for individuals BDT 50,000.00/- per application (or 5,000 Units) for institutions BDT 2,000.00/- per month for SIP investors |
| Prospective investors | Individuals, foreign and local institutions, Non-Resident Bangladeshis (NRBs) are eligible to invest in this Fund. |
| Sale/ Surrender / Transfer of Units | Directly from the Asset Manager or designated Selling Agents or any BSEC-approved platform or at the online investors' portal of the Asset Manager at: https://invest.midlandamcbd.net |
| Transparency | NAV will be calculated on a daily basis and shall be published on the website of the Asset Manager (www.midlandamcbd.net) and as prescribed in the wewagvjv. |
| Dividend Policy | Minimum 50% of the yearly distributable profit will be declared a dividend as per বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (নিউচুয়াল ফান্ড) বিধিমালা, ২০২৫ |
| Dividend Distribution | The dividend will be distributed within 30 (thirty) days from the date of declaration in Bangladeshi Taka. For investors requesting CIP (Cumulative Investment Plan), Units of the Fund will be issued in favour of their BO ID, equivalent to the amount of dividend that they are entitled to receive in the form of cash. |
| Transferability | The Units of the Fund are transferable by way of inheritance/ gift and/or by specific operation of the law. |
| Encashment | The Unitholders can surrender and encash their Units to the Asset Manager and through the authorised selling agents appointed by the Asset Manager. The Asset Manager or selling agents shall be liable to repurchase the Units on behalf of the Fund. |
| Tax benefit | The investment tax benefits of the Fund will be available to both SIP investors and one-off investors as offered by the country's Finance Act and Income Tax Act, 2023. Currently, the following benefits are available: <ul style="list-style-type: none"> • Yearly investments of up to BDT 500,000.00 (Taka Five Lakh) in the Fund is allowed to be recognised as eligible investments under Clause 2(7)(b) of Sixth Schedule (Part 3) of Income Tax Act, 2023. • Up to 15% of the investments in the Fund can be claimed as tax rebate under Section 78 of the Income Tax Act, 2023. • Capital gain of up to BDT 5,000,000/- is exempted from tax for an individual investor as per Clause 36(a) of Sixth Schedule (Part 1) of Income Tax Act, 2023. • According to Clause 10(a) of the Sixth Schedule (Part 1) of Income Tax Act, 2023, the income of the Fund will be exempted from tax at the Fund level. |
| Reports and Accounts | Every Unitholder is entitled to receive audited annual financial statements, quarterly statements of accounts, portfolio of the Funds as and when published on the website (www.midlandamcbd.net) of the Asset Manager. |

ফান্ডের সংক্ষিপ্ত বিবরণী

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| নাম | মিডল্যান্ড ব্যাংক ব্যালাসড ফান্ড |
| ধরণ | বে-মেয়াদী মিউচুয়াল ফান্ড যা একটি সুখম বিনিয়োগ নীতি অনুসরণ করে সম্পদগুলো ইকুইটি ও ফিল্ড ইনকাম সিকিউরিটিজে বিনিয়োগ করে। |
| ফান্ডের মেয়াদ এবং আকার | ফান্ডের মেয়াদ অসীম এবং আকার সীমাহীন |
| উদ্যোক্তা | মিডল্যান্ড ব্যাংক পিএলসি |
| সম্পদ ব্যবস্থাপক | মিডল্যান্ড ব্যাংক অ্যাসেট ম্যানেজমেন্ট কোম্পানি লিমিটেড |
| ট্রাস্টি | সন্ধানী লাইফ ইনস্যুরেন্স কোম্পানী লিমিটেড |
| হেফাজতকারী | কমার্শিয়াল ব্যাংক অব সিলন পিএলসি |
| ফান্ডের প্রাথমিক আকার | ২৫,০০,০০,০০০.০০ (পঁচিশ কোটি) টাকা যা ২,৫০,০০,০০০ (দুই কোটি পঞ্চাশ লাখ) ইউনিটে বিভক্ত। প্রতিটি ইউনিটের অভিজিত মূল্য ১০ টাকা। |
| অভিজিত মূল্য | ১০ (দশ) টাকা প্রতি ইউনিট |
| উদ্দেশ্য | এই ফান্ডের লক্ষ্য হলো ইকুইটি ও ফিল্ড ইনকাম সিকিউরিটিজে বিনিয়োগের মাধ্যমে আয় ও প্রবৃদ্ধি অর্জন করা। এই বৈচিত্র্যময় পদ্ধতিতে বিচক্ষণ সম্পদ বন্টন এবং সুশৃঙ্খল ঝুঁকি ব্যবস্থাপনার মাধ্যমে দীর্ঘমেয়াদি মূলধন বৃদ্ধি নিশ্চিত করা। |
| ন্যূনতম আবেদন মূল্য | <ul style="list-style-type: none"> ৫,০০০.০০ টাকা (৫০০ ইউনিট) ব্যক্তিগত বিনিয়োগকারীদের আবেদনের বিপরীতে ৫০,০০০.০০ টাকা (৫,০০০ ইউনিট) প্রতিষ্ঠানিক বিনিয়োগকারীদের আবেদনের বিপরীতে ২,০০০.০০ টাকা প্রতি মাসে এসআইপি (SIP) বিনিয়োগকারীদের আবেদনের বিপরীতে |
| সম্ভাব্য বিনিয়োগকারী | নিবাসী-অনিবাসী বাংলাদেশি বিনিয়োগকারী, দেশী ও বিদেশী প্রতিষ্ঠানসমূহ, ফান্ডে বিনিয়োগ করতে পারবে। |
| বিক্রি/সমর্পণ/ইউনিট স্থানান্তর | সরাসরি সম্পদ ব্যবস্থাপক অথবা উহার অনলাইন পোর্টাল (https://invest.midlandamcbd.net) অথবা মনোনীত সেলিং এজেন্ট অথবা বিএসইসি অনুমোদিত যেকোন প্ল্যাটফর্মের মাধ্যমে। |
| স্বচ্ছতা | বিধিমালা অনুযায়ী ফান্ডের NAV প্রতি কর্ম দিবসে গণনা করা হবে এবং সম্পদ ব্যবস্থাপকের ওয়েব সাইটে (www.midlandamcbd.net) প্রকাশ করা হবে। |
| লভ্যাংশ | বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫ অনুযায়ী ফান্ডের বার্ষিক লাভের কমপক্ষে ৫০ শতাংশ লভ্যাংশ হিসেবে বিতরণ করা হবে। |
| লভ্যাংশ বিতরণ | যদি লভ্যাংশ ঘোষিত হয় তাহলে ঘোষণার তারিখ থেকে ৩০ (ত্রিশ) দিনের মধ্যে লভ্যাংশ বিতরণ করতে হবে। যেসব বিনিয়োগকারী সিআইপি (CIP) এর জন্য আবেদন করেছেন, নগদ লভ্যাংশের সমপরিমাণ ইউনিট তাদের বিও আইডি বিপরীতে ইস্যু করা হবে। |
| হস্তান্তর যোগ্যতা | উত্তরাধিকার/উপহার অথবা আইন দ্বারা অনুমোদিত ভাবে ফান্ডের ইউনিট সমূহ হস্তান্তর করা যাবে। |
| নগদায়ন | সকল ইউনিটধারী তাদের ইউনিট সরাসরি সম্পদ ব্যবস্থাপক অথবা মনোনীত সেলিং এজেন্টদের মাধ্যমে নগদায়ন করতে পারবে। সম্পদ ব্যবস্থাপক অথবা মনোনীত সেলিং এজেন্ট ফান্ডের ইউনিট পুনঃ কয় করতে বাধ্য থাকবে। |
| কর রেয়াত জনিত সুবিধা | <p>অর্থ আইন এবং আয়কর আইন, ২০২৩ অনুযায়ী প্রস্তাবিত ফান্ডে নিম্নলিখিত কর সুবিধাসমূহ এসআইপি (SIP) বিনিয়োগকারী এবং এককালীন বিনিয়োগকারী উভয়ের জন্যই পাওয়া যাবে:</p> <ul style="list-style-type: none"> কোন আয়বর্ষে এই ফান্ডে ৫,০০,০০০/- (পাঁচ লাখ টাকা) পর্যন্ত বিনিয়োগ আয়কর আইন, ২০২৩ এর ষষ্ঠ তফসিলের, অংশ-৩, ধারা ২.৭(খ) অনুযায়ী সাধারণ কর রেয়াতের জন্য 'যোগ্য বিনিয়োগ' হিসেবে বিবেচ্য। আয়কর আইন, ২০২৩ এর বিধি ৭৮ অনুযায়ী এই ফান্ডের মোট বিনিয়োগের ১৫% শতাংশ কর রেয়াত হিসেবে বিবেচ্য। আয়কর আইন, ২০২৩ এর ষষ্ঠ তফসিলের, অংশ-১, ধারা ৩৬(ক) অনুযায়ী ফান্ডে বিনিয়োগ হতে অর্জিত অনধিক ৫০,০০,০০০/- (পঞ্চাশ লাখ টাকা)-র মূলধনী আয় কর অব্যাহতির জন্য বিবেচ্য। আয়কর আইন, ২০২৩ এর ষষ্ঠ তফসিলের, অংশ-১, ধারা ১০(ক) অনুযায়ী ফান্ডের অর্জিত সকল আয়, এই ফান্ডের মোট আয় পরিগণনা হইতে বাদ যাবে। |
| বার্ষিক প্রতিবেদন এবং হিসাব সমূহ | ফান্ডের সকল ইউনিটধারী ফান্ডের নিরীক্ষিত বার্ষিক প্রতিবেদন, ত্রৈমাসিক হিসাবের বিবরণী ও ফান্ডের পোর্টফোলিও পাওয়ার অধিকার রাখেন, যা সম্পদ ব্যবস্থাপকের ওয়েব সাইটে (www.midlandamcbd.net) প্রকাশ করা হবে। |

CHAPTER 1: PRELIMINARY

1.1 Publication of Prospectus for Public Offering

Midland Bank Asset Management has received registration certificate as the asset manager on August 04, 2024 from the Bangladesh Securities & Exchange Commission under Securities & Exchange Commission Act, 1993 and বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫ made thereunder and also received consent for issuing prospectus for public offering for Midland Bank Balanced Fund. A complete copy of the prospectus is available for public inspection at N.B. Tower (Level 14), 40/7, North Avenue, Gulshan-2, Dhaka – 1212, Bangladesh, the corporate office of Midland Bank Asset Management, the asset manager of Midland Bank Balanced Fund, hereinafter referred to as “the Fund”.

1.2 Consent of the Bangladesh Securities and Exchange Commission

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

1.3 Listing of Units of the Fund

As an open-ended mutual fund, the Fund shall not be listed on any stock exchange in Bangladesh. Accordingly, its Units shall not be traded through the secondary market, where the Bangladesh Securities and Exchange Commission (“the Commission”) and the relevant exchanges may authorise such trading in future. In the event of such approval, the Asset Manager will duly notify the public in accordance with regulatory requirements.

All Units shall be issued and maintained in dematerialised form with Central Depository Bangladesh Limited (CDBL), thereby facilitating efficient holding and transfer of ownership. Open-ended mutual funds need to be included on a platform approved by the BSEC to facilitate unit transfers in the dematerialized form. Units will remain continuously available for subscription and redemption, subject only to temporary suspension during the book closure/record dates declared for the Fund. Transactions may be conducted at the corporate office of Midland Bank Asset Management or its online investors' portal at: <https://invest.midlandamcbd.net> or any BSEC-approved platform or through its duly appointed Selling Agents.

In line with the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫, the Asset Manager shall publish the applicable subscription and redemption prices at the commencement of every business/ working day. Redemption requests may be lodged during business hours specified by the Asset Manager, and Units shall be repurchased by the Asset Manager, on behalf of the Fund, strictly on a first-come, first-served basis.

1.4 Availability of Documents for Inspection

1. A copy of this Prospectus shall be available for public inspection at the registered office of the Asset Management Company and at the offices of all duly authorised Selling Agents of the Fund. The Prospectus shall also be accessible for viewing and download from the official website of the Bangladesh Securities and Exchange Commission (www.sec.gov.bd) and from the website of the Asset Manager (www.midlandamcbd.net).
2. The Trust Deed of the Fund shall remain open for inspection during normal business hours at the office of the Asset Manager. Certified copies of the Trust Deed may be obtained by any interested party upon payment of such fee as may be prescribed by the Asset Manager.

1.5 Conditions imposed under the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫ and Section 2CC of the Securities and Exchange Ordinance, 1969

PART-A

- (1) The Fund shall not account for any upward revaluation of its assets creating reserve without clearance from the Bangladesh Securities and Exchange Commission;
- (2) The fund shall not be involved in option trading, short selling or carry forward transactions;
- (3) A confirmation of Unit allocation shall be issued at the cost of the Fund at par value of Tk. 10.00 (ten) each within 03 (three) working 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) A copy of duly audited annual financial statements including the statement of financial position, statement of profit or loss and other comprehensive income, statement of cash flows, statement of changes in equity and accompanying accounting policies and notes to the financial statements of the Fund and for each scheme of the Fund, once a year, shall be submitted to the Commission within 03 (three) months from the end of the financial year;
- (6) A copy of quarterly un-audited financial statements including the statement of financial position, statement of profit or loss and other comprehensive income, statement of cash flows, statement of changes in equity and accompanying accounting policies and notes to the financial statements of the Fund and for each scheme of the Fund shall be submitted to the Commission and published on its website within 30 (thirty) days from the end of each quarter;
- (7) A monthly statement of portfolios, including changes therein from the previous period shall be submitted to the Commission within 10 (ten) days from the end of each month;
- (8) A quarterly statement of changes in the net assets of each scheme of the fund within 30 (thirty) days of the end of each quarter;
- (9) The Fund shall, before expiry of 30 (thirty) days from the end of each quarter, send all unitholders a complete statement of portfolios of the Fund or scheme of the Fund, in the prescribed form and shall upload the same on the website of the Asset Manager;
- (10) The Fund shall submit a monthly statement to the Commission, within 07 (seven) days from the end of the month, reporting new units issued, capital fund received, units repurchased and capital redeemed for every business day of the month;

- (11) The Asset Management Company shall calculate the Net Asset Value (NAV) per unit at cost value and fair value on daily basis and be disclosed in the manner specified in the বিধিমালা or prescribed by the Commission;
- (12) The Asset Management Company shall calculate sale price and repurchase price (surrender value) per unit of the Fund or its scheme and disclose in the manner specified in the বিধিমালা or prescribed by the Commission. The difference between sale price and repurchase/surrender price shall not exceed 3% of the sale price. The sale price per unit shall be calculated in consideration with Net Asset Value (NAV) per unit at fair value of the Fund or its scheme. The difference between per unit sale price and Net Asset Value (NAV) shall not exceed 2% of the NAV per unit at fair value of the Fund or its scheme.
- (13) The redemption (or repurchase) of units of a Fund, or a Scheme of the Fund, shall be made on first-come-first-serve basis. The repurchase proceeds shall be paid to the unitholders within a period not exceeding 03 (three) trading days. The unitholders shall be entitled to receive the surrender price applicable on the date on which he/she submits his/her request/application for surrender of units (Surrender Request).
- (14) The declared cash dividend shall be paid within 30 (thirty) days from the date of approval by the Board of Trustees, and a report shall be submitted to the Commission, Trustee and Custodian within 07 (seven) days of dividend distribution;
- (15) BSEC may appoint auditor(s) or may direct the Trustee to appoint auditor(s) for special audit/investigation on the affairs of the Fund, if it so desires;
- (16) All unit sale and repurchase or surrender transactions, investment-related transactions, expenses prescribed under the Regulations, and all other lawful financial transactions of each mutual fund or any of its schemes shall be settled through the operational bank account of the respective fund or its scheme. All transactions of the account shall be made through banking channel and shall be properly documented;
- (17) The prospectus/abridged version of the prospectus shall be published as per বিধি ৪৫ of the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫.
- (18) If abridged version of the prospectus is published in the newspaper, complete prospectus shall be made available to the applicants;
- (19) 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 Asset Manager subject to approval of the Trustee and with intimation to the Commission. The Asset Manager shall ensure compliance of বিধি ৪৮ of the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫;
- (20) If the Asset Manager fails to collect the minimum 40% of the initial target amount, shall refund the subscription money, under বিধি ৫০ of the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫, within 15 (fifteen) 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;
- (21) The Fund will be allowed to transfer the money from Escrow Account to Operational Account and to commence investment activities of the fund subject to the compliance of বিধি ৫০ of the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫;
- (22) Unit allocation of the Sponsor's contribution amount shall be subject to a lock-in period of 01 (one) year from the date of declaration of the scheme 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 scheme of the Fund until liquidation;
- (23) A confirmation of Unit allocation of the Sponsor's contribution amounting 10% of the fund will be issued in favor of the Sponsor. The said confirmation letter shall be in the custody of Trustee. No splitting of the Unit of Sponsor shall be made without prior approval of the Commission;
- (24) Annual fee of the fund shall be submitted to the Commission, under বিধি ১১ of the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫ and may adjust the fee in the next year, if necessary;
- (25) Subscription period of the scheme of the fund will be 45 (forty-five) working days which will be started on February 01, 2026 and be ended on April 12, 2026 as per বিধি ৪৯ of the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫.

PART-B

Please ensure that the following are adhered to:

- (1) As per provisions contained in the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫ regarding limitation of time on closure of subscription, the initial public subscription will remain open for forty-five working 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 scheme of the 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 Asset Manager shall apply the spot buying rate (TT clean) of Sonali Bank prevalent on the date of opening of subscription for conversion of foreign currencies;
- (7) The Asset Manager shall submit to the Commission a diskette or pen drive containing the vetted prospectus and its abridged version;
- (8) After due approval by the Trustee regarding issue and formation expenses, the Asset Manager shall submit in details along with supporting documents to the Commission regarding issue and formation expenses within 15 (fifteen) days of operation of the Fund. The Auditor of the fund shall also put opinion about the above expenses in the initial financial statements of the fund;
- (9) The Asset Manager shall submit a report to the Commission, which shall include, among others, the total number of units issued, the total amount of subscription collected, and such other relevant information within 05 (five) working days following the expiry of the initial subscription period;
- (10) Bank Statements along with the subscribers list, copies of selling agent agreements (if applicable) shall be submitted to the Commission within 15 (fifteen) days of the completion of the subscription;
- (11) The investment policy and guideline and information on constituents of Investment Committee of the fund approved by the Board shall be submitted to the Commission within 30 (thirty) days from the receipt of the Consent Letter. The investment policy and guideline shall include, among other issues, the investment delegation power of Chief Executive Officer and the Committee separately and also the meeting resolution presentation process;
- (12) After due approval of the Trustee, the Asset Manager shall submit the Systematic Investment Plan (SIP) brochure to the Commission complying the Rules within 30 (thirty) days of issuance of consent letter;
- (13) 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;

1.6 General Information

1. This Prospectus has been issued by Midland Bank Asset Management, which is in compliance with the provisions of the Trust Deed executed between the Trustee and the Sponsor, which has been duly approved by the Bangladesh Securities and Exchange Commission ("the Commission") and made available for public inspection. The information presented herein is, to the best of the Asset Manager's knowledge and belief, accurate and complete in all material respects. No material fact has been withheld, the omission of which would render any statement herein false or misleading.
2. No individual has been authorised to provide information or to make any representation other than as expressly set forth in this Prospectus. Any information or representation not contained herein should not be relied upon as having been authorised by Midland Bank Asset Management.

3. The offering of Units described in this Prospectus is being made solely within the jurisdiction of Bangladesh and is subject to the exclusive jurisdiction of the courts of Bangladesh. The distribution of this Prospectus outside Bangladesh shall not constitute, or be construed as, an offer in any other jurisdiction, nor imply that such offering is lawful under the regulatory framework of any jurisdiction other than Bangladesh.
4. The Trust Deed of the Fund was registered on September 3, 2025, while the previous regulation, সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, was still in effect. Subsequently, the new regulation, বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫, was issued, with the gazette published on November 10, 2025. The prospectus of the Fund received approval from the BSEC after the new regulation came into effect. In accordance with Clause 2.3.4 of the registered Trust Deed and ধারা ১৪ of দ্বিতীয় তফসিল of বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫, in the event of any contradiction between the Trust Deed and the বিধিমালা, the বিধিমালা shall take precedence. Any changes made to the বিধিমালা will be deemed to have been automatically incorporated into the Trust Deed of the Fund.

1.7 Issuance and Redemption of Units

The issuance and redemption of Units of the Midland Bank Balanced Fund shall be conducted at the registered office of Midland Bank Asset Management Company Limited at N.B. Tower (Level 14), 40/7 North Avenue, Gulshan-2, Dhaka-1212, Bangladesh, or its online investors' portal at: <https://invest.midlandamcbd.net> or through such designated Selling Agents as may be appointed from time to time. The process of issuance and redemption shall continue on a continuous basis until the winding-up of the Fund, during periods of book closure or suspension as permitted under the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫ and other applicable regulations.

For the purpose of issuance and redemption of Units, Midland Bank Asset Management shall maintain designated Beneficiary Owner (BO) accounts with Commercial Bank of Ceylon PLC., acting in its capacity as Custodian of the Fund. Upon issuance, and subject to completion of necessary dematerialisation arrangements, Units shall be credited into the BO accounts of the respective Unitholders in accordance with the instructions of MDBAMC.

In the event of redemption, repurchase, or surrender of Units, the Custodian shall initiate the re-materialisation process through the Central Depository System, with the corresponding acceptance and confirmation by the Asset Manager. Payments against redeemed Units shall be effected in favour of the Unitholder(s) in accordance with the payment details available at the CDBL record on the date of redemption request being made and the other applicable redemption rules of the Fund, subject always to the availability of sufficient liquidity and in compliance with বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫. All such transactions shall be executed with due regard to fiduciary responsibilities, ensuring transparency, investor protection, and adherence to the regulatory framework governing mutual Funds in Bangladesh.

It is recommended to invest with a long term orientation to allow the compounding to take effect; however, it is not mandatory. Investors may redeem their investment at any time.

1.8 Systematic Investment Plan (SIP)

A Systematic Investment Plan ("SIP") is an investment mechanism that enables investors to contribute a predetermined sum at regular intervals into a mutual Fund scheme. This structured approach to investing allows contributions to be made on a monthly basis, for a minimum period of 2 years by an investor. By committing to such disciplined, periodic investments, investors may benefit from the potential compounding of returns over time, thereby facilitating the achievement of long-term financial objectives in an orderly and sustainable manner.

Benefits of Investing in SIP

- i. **Long-term wealth creation:** A key advantage of a SIP lies in the power of compounding, whereby returns generated on investments are reinvested to earn additional returns over time. This compounding effect can significantly enhance the value of an investment portfolio when pursued over an extended horizon. Commencing investments at an early stage and continuing them systematically may therefore maximize the potential benefits of this principle.
- ii. **Disciplined Investing and Financial Habit:** A SIP instills financial discipline by automatically investing a fixed amount at regular intervals. This "set-and-forget" approach ensures you consistently save and invest, moving you closer to your financial goals without the need for constant active decision-making.
- iii. **Low entry requirement:** Participation in the Midland Bank Balanced Fund through a SIP may commence with contributions as little as BDT 2,000 per month for a minimum period of 2 years. This easy entry enables investors to build wealth progressively without imposing undue financial burden.
- iv. **Flexibility of tenure and frequency:** Investors enjoy considerable flexibility in determining both the duration of their SIP and the frequency of contributions. Instalments can be scheduled on a monthly basis. Furthermore, shorter-term plans may be extended into longer tenures at the investor's discretion, thereby providing adaptability to evolving financial circumstances.
- v. **Eliminates the Need for Market Timing:** It is incredibly difficult to consistently predict the best time to enter and exit the market. A SIP removes this stress and guesswork, as you invest regularly through all market cycles, both highs and lows, which smooths out your investment journey.
- vi. **Option for Cumulative Investment Plan (CIP):** SIP participants may elect to receive dividends either in cash or under the Cumulative Investment Plan (CIP). Under the CIP option, dividends are automatically reinvested in the form of additional Units of the Fund rather than being distributed in cash. Consequently, from the subsequent year onwards, investors become entitled to dividends, if declared, on the cumulative total number of Units held, thereby potentially accelerating portfolio growth.
- vii. **Helps in Achieving Long-Term Financial Goals:** Due to the combined effects of discipline, compounding, and averaging, SIPs are an excellent tool for fulfilling long-term objectives like retirement planning, buying a house, or funding your child's education. A small, regular investment can grow into a substantial corpus over a long period of time.
- viii. **Tax benefits:** The investment tax benefits of the Fund will be available to both SIP investors and one-off investors as offered by the country's Finance Act and Income Tax Act, 2023. Currently, the following benefits are available:
 - Yearly investments of up to BDT 500,000.00 (Taka Five Lakh) in Midland Bank Balanced Fund is allowed to be recognised as eligible investments under Clause 2(7)(b) of Sixth Schedule (Part 3) of Income Tax Act, 2023.
 - Up to 15% of the investments in Midland Bank Balanced Fund can be claimed as tax rebate under Section 78 of the Income Tax Act, 2023.
 - According to Clause 36(a) of the Sixth Schedule (Part 1) of Income Tax Act, 2023, capital gains made by investing in Midland Bank Balanced Fund of up to BDT 5,000,000.00 (Taka Fifty Lakh) is exempted from tax for an individual investor.
 - According to Clause 10(a) of the Sixth Schedule (Part 1) of Income Tax Act, 2023, the income of Midland Bank Balanced Fund will be exempted from tax at the Fund level.

How to invest?

An investor may choose to invest through any of the following options:

- i. The investor can invest through SIP by auto debit system provided against investor's bank account in favour of the bank account of 'Midland Bank Balanced Fund'.
- ii. The investor may provide post-dated account payee bank cheque in favour of 'Midland Bank Balanced Fund' at a regular interval.

Once the bank account of the Fund is credited; the Unitholder will be issued with the confirmation of Unit allocation against every purchase. Soon after, the Units will be created and credited to the BO ID of the investor following due process.

It is recommended to maintain SIP investments with a long-term perspective; however, it is not mandatory. Investors may discontinue the plan at any time without any penalty.

1.9 Declarations:

Declarations about the Responsibility of the Sponsor

পঞ্চম তফসিল - (১) এর (ছ) [বিধি ৪৫ (২) দ্রষ্টব্য]

Midland Bank PLC., in its capacity as the Sponsor of the Midland Bank Balanced Fund, hereby accepts full and exclusive responsibility for the accuracy and completeness of the information contained within this Prospectus. The Sponsor confirms that, to the best of its knowledge and belief, having undertaken all reasonable enquiry, the Fund has been established in conformity with the provisions of its Trust Deed and all applicable regulations including বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫. No material fact has been omitted, the absence of which would render any statement herein misleading.

This Prospectus has been prepared to provide full, fair and transparent disclosure to the prospective investors.

Sd/-

MD. AHSAN-UZ ZAMAN

MANAGING DIRECTOR & CEO

Midland Bank PLC.

Declarations about the Responsibility of the Custodian

পঞ্চম তফসিল - (১) এর (ছ) [বিধি ৪৫ (২) দ্রষ্টব্য]

Commercial Bank of Ceylon PLC, as the appointed Custodian for the Midland Bank Balanced Fund, hereby accepts its responsibilities and confirms that it shall:

- i. Maintain secure custody of all securities and assets of the Fund, ensuring their highest degree of protection; and
- ii. Preserve all requisite documents and records pertaining to the Fund in accordance with the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫ and as per conditions imposed by the Commission from time to time.

Sd/-

Nyeem Uddin Siddique Adnan

Head of Custodial Services Department

Commercial Bank of Ceylon PLC

Declarations about the Responsibility of the Trustee

পঞ্চম তফসিল - (১) এর (ছ) [বিধি ৪৫ (২) দ্রষ্টব্য]

We, Sandhani Life Insurance Company Limited, as the Trustee of the Midland Bank Balanced 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 the Prospectus, Trust Deed and বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫;
- 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; and
- vi. 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

Vice President & Company Secretary

Sandhani Life Insurance Company Limited

Declarations about the Responsibility of the Asset Manager

পঞ্চম তফসিল - (১) এর (ছ) [বিধি ৪৫ (২) দ্রষ্টব্য]

This Prospectus has been prepared by Midland Bank Asset Management Company Limited, the Asset Manager for the Midland Bank Balanced Fund. Its contents are based upon the Trust Deed, the Investment Management Agreement, and the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫. The Asset Manager hereby certifies that:

- i. This Prospectus is consistent with all constitutive documents of the Fund;
- ii. All legal and regulatory requirements for the Fund's establishment have been fulfilled; and
- iii. The disclosures contained herein are true, accurate, and sufficient for an informed investment decision.

Prospective investors should be aware that the value of investments in this Fund is subject to market fluctuations. Returns are not guaranteed, and investment is suitable only for those who are able and willing to assume a moderate degree of risk. Investors are strongly advised to consider the specific risk factors detailed in this Prospectus.

Sd/-

Mohammad Samir Uddin, CFA

Chief Executive Officer

Midland Bank Asset Management Company Limited

1.10 Due Diligence Certificates:

Due Diligence Certificate by Sponsor

পঞ্চম তফসিল - (১) এর (জ) [বিধি ৪৫ (২) দ্রষ্টব্য]

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

Subject: Midland Bank Balanced Fund

We, the Sponsor of the aforementioned Mutual Fund, hereby state:

- i. We have scrutinized the Prospectus and all relevant documents; and
- ii. We undertake to comply fully with the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫, the Trust Deed, and all subsequent directives of the Commission.

WE HEREBY CONFIRM THAT:

- i. All information within the Prospectus is authentic and correct;
- ii. We shall discharge our duties and responsibilities as stipulated in the Trust Deed and in the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫;
- iii. We shall abide by all conditions imposed by the Commission regarding the Fund from time to time; and
- iv. We shall at all times act in the best interests of the Unitholders of the Fund.

For the Sponsor,

Sd/-

MD. AHSAN-UZ ZAMAN

MANAGING DIRECTOR & CEO

Midland Bank PLC.

Due Diligence Certificate by Trustee

পঞ্চম তফসিল - (১) এর (জ) [বিধি ৪৫ (২) দ্রষ্টব্য]

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

Subject: Midland Bank Balanced Fund

We, Sandhani Life Insurance Company Limited, the Trustee of the above mentioned forthcoming Mutual Fund, state as follows

- i. We, while act as the Trustee of the above-mentioned fund on behalf of the investors, have examined the prospectus and other documents and materials as relevant to our decision; and
- ii. We warrant that we shall comply with the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫, Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, Dhaka Stock Exchange (Listing) Regulations, 2015 and Chittagong Stock Exchange (Listing) Regulations, 2015 (if the Fund is listed with the stock exchanges), Trust Deed of the Fund and the rules, orders, guidelines, directives, notifications and circulars that may be issued by the Commission from time to time in this respect.

WE HEREBY 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 বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫ have been complied with;
- d) We shall act as the Trustee of the Fund as mentioned above as per the 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 বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫ and conditions imposed by the Commission as regards of the Fund; and
- f) We shall act to our best for the benefits and sole interests of the unit holders of the Fund.

For the Trustee,

Sd/-

Md. Mizanur Rahman

Vice President & Company Secretary
Sandhani Life Insurance Company Limited

Due Diligence Certificate by Custodian

পঞ্চম তফসিল - (১) এর (জ) [বিধি ৪৫ (২) দ্রষ্টব্য]

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

Subject: Midland Bank Balanced Fund

We, the Custodian for the aforementioned Mutual Fund, hereby state that we shall comply with the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫, 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 HEREBY CONFIRM THAT:

- i. We shall maintain secure custody of all securities and assets of the Fund as per বিধি ৪১ of বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫ and will provide highest security for the assets which are duly kept under our custody of the Fund;
- ii. We shall also perform our duties as per the signed custodian agreement and constitutive documents;
- iii. We shall abide by বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫ and all conditions imposed by the Commission from time to time; and
- iv. We shall act solely in the interests of the Unitholders of the Fund

For the Custodian,

Sd/-

Nyeem Uddin Siddique Adnan

Head of Custodial Services Department

Commercial Bank of Ceylon PLC

Due Diligence Certificate by Asset Manager

পঞ্চম তফসিল - (১) এর (জ) [বিধি ৪৫ (২) দ্রষ্টব্য]

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

Subject: Midland Bank Balanced Fund

We, the Asset Manager for the aforementioned Mutual Fund, hereby state:

- i. We declare that the information within the Prospectus is complete and accurate;
- ii. We shall promptly inform the Commission of any material changes; and
- iii. We undertake to comply with the Securities and Exchange Ordinance, 1969, বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫, Bangladesh Securities and Exchange Commission (Public Issue) Rules, 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 HEREBY CONFIRM THAT:

- i. The Prospectus conforms to all relevant Fund documents;
- ii. All legal requirements for the Fund's launch have been satisfied; and
- iii. The disclosures are true, fair, and sufficient for an informed investment decision.

For the Asset Manager,

Sd/-

Mohammad Samir Uddin, CFA

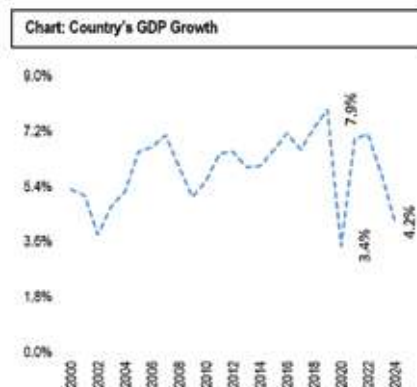
Chief Executive Officer

Midland Bank Asset Management Company Limited

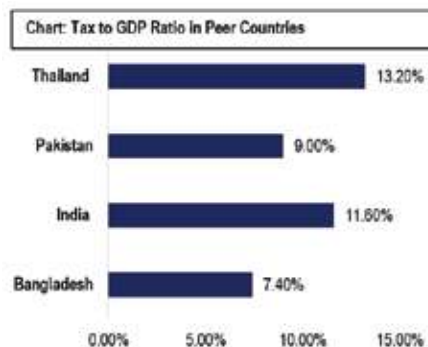
CHAPTER 2: BACKGROUND ANALYSIS

2.1 The Bangladesh Economy

Bangladesh is a country of youthful, vibrant people with limited economic resources. According to 2022 census, its population is 169 million. Since its liberation in 1971, the nation has climbed steadily from a bottomless basket (an expression first used in reference to Bangladesh by U. Alexis Johnson of US State Department, in a meeting held on December 6, 1971. Mr. Henry Kissinger, ex-US Secretary of State, repeated the phrase in further discussion) to the status of a lower-middle-income country. Over the past two and a half decades, the economy has achieved a phenomenal average GDP growth rate of approximately 6.0% since 2000, driven primarily by robust domestic consumption, around 76% of output is consumed by domestic consumers. A major structural shift has occurred: Bangladesh's economy has transitioned from being agriculture-led to service-led. In FY24, the service sector contributed around 51% of GDP, while agriculture's share dwindled to 11%, a dramatic decline from 59.6% in 1972. Per capita income has improved significantly. Nominal per capita income surged from USD 87.8 in FY72 to USD 2,593 in FY24, thanks to factors such as a trainable population, privatization in the early 1980s, global workforce exports, the rise of the RMG (ready-made garment) sector beginning in the early 1980s, and the emergence of a domestic consumer base. In FY25, RMG exports reached USD 48.2 billion, a remarkable leap from just USD 0.81 billion in FY84, and accounted for 81.49% of the country's export earnings. Bangladesh is now the world's second-largest RMG manufacturer. Remittances, another vital economic lifeline, amounted to USD 30.33 billion in FY25. Beyond macroeconomic milestones, Bangladesh has made significant socio-economic progress in alleviating poverty, increasing life expectancy, and reducing child mortality. Life expectancy has increased to 73.82 years in 2024, up from 49.7 years in 1972. Meanwhile, the poverty rate has declined sharply to 6.1% from around 80%, and the infant mortality rate has fallen dramatically to 2.4% from 14.8%.



Although Bangladesh has achieved commendable success given its constraints, several major economic challenges loom on the horizon. These include a lack of financial deepening, a poor tax-to-GDP ratio, rising economic inequality, a concentrated export basket, weak institutional strength, and pervasive governance issues. The country has the lowest tax-to-GDP ratio in the Asia Pacific region, only 6.56% in FY25, placing immense pressure on fiscal management and increasing public debt, while external debt to GDP stands at 25% at the end of 2025. Its export base remains heavily reliant on the RMG sector, and diversifying beyond it is essential for external stability. The financial system is dominated by commercial banks, which are grappling with poor asset quality and threatening financial stability. As of September 2025, aggregated non performing loans stood at BDT6.44 Lakh Crore, accounting for 36% of total outstanding loans. This mounting volume of bad assets has elevated the cost of financial intermediation and weakened the banking sector's capital base. Other components of the financial system remain underdeveloped: insurance penetration is just 0.5%, among the lowest globally, and as of September 1, 2025, the equity market cap-to-GDP ratio stood at 6.7%, underscoring the shallow depth of publicly available equity financial instruments.



2.2 Bangladesh Capital Market

Since its modest beginnings in 1954, when the East Pakistan Stock Exchange Association launched what would become the Dhaka Stock Exchange, Bangladesh's capital market has matured slowly. Though trading ceased in the early post-independence period, the DSE resumed operations in 1976 with only nine companies. It now shares the stage with the Chittagong Stock Exchange, initiated in 1995. Despite this historical foundation, the market remains embryonic in its overall development. The product ecosystem is narrow; equities dominate, with only nascent offerings in treasury instruments and corporate bonds. Currently, 421 stocks are listed in the DSE main board while 20 stocks listed in DSE SME Board and 1 stock is listed in the DSE Alternative Board. Retail investors overwhelmingly drive the market, accounting for roughly 80% of participation, often engaging in speculative, trend-following behavior rather than disciplined analysis.

Institutional and foreign investment, by contrast, is minimal that leaves a large headroom for the professional investment management growth. Recently, Bangladesh Securities Exchange Commission (BSEC), the regulator of the capital market, has been doing a commendable job to restore the governance and paving the way for the new financial product to be launched in the capital market. Already BSEC has introduced the rules of commodity derivatives and taken number of initiatives to bring more well governed company in the capital market and overhauled several rules.

2.3 Mutual Fund Industry in Bangladesh

Since its inception in 1980, when the Investment Corporation of Bangladesh (ICB) introduced the country's first closed-end mutual Fund, followed by the launch of the first open-end Fund in 1981, the mutual Fund industry in Bangladesh has remained relatively small and limited in impact. Currently, around 68 Asset Management Companies (AMCs) operate in the country, yet total assets under management (AUM) stand at only BDT 146.8 billion, representing a meagre 0.27% of GDP. This figure significantly trails behind neighboring markets such as India (16%), Vietnam (6.6%), Thailand (over 28%), and Pakistan (1.3%). Currently, the industry includes approximately 36 listed closed-end Funds and 99 open-ended Funds as of October 2025. For the first three decades, the sector was dominated by closed-end Funds, with only three open-ended Funds introduced by ICB and its subsidiaries. However, over the past fifteen years, the market has seen greater diversification, with Fund managers introducing a wider variety of mutual Fund products. A notable milestone was in 2010, when Prime Finance & Investment Limited launched the first open-ended mutual Fund in the private sector, the "Prime Financial First Unit Fund". Despite this progress, the industry continues to face several structural and operational challenges that hinder its development. A major obstacle is the lack of investor awareness and financial literacy, resulting in limited participation from retail investors who often have misconceptions or mistrust toward mutual Fund investments. Additionally, the industry suffers from limited scalability, many AMCs operate with restricted resources and underdeveloped distribution networks, making it difficult to reach a broader investor base or efficiently manage larger assets. Product diversification is also inadequate, with Funds often concentrated in a few sectors, increasing risk and reducing return potential. While the regulatory framework has improved over time, it still faces issues with procedural delays and inconsistencies that slow down innovation and Fund launches. Furthermore, market volatility and a still-developing capital market continue to suppress investor confidence. However, the outlook has begun to improve lately, thanks to efforts toward regulatory reforms and a growing emphasis on investor education. Additionally, the entry of banks into the mutual Fund space has the potential to boost the industry's reach and accessibility, as banks possess the largest financial distribution networks in the country, providing a promising avenue for wider mutual Fund adoption.

2.4 Open-ended Mutual Funds

Open-ended mutual Funds enjoy widespread acceptance globally as a highly accessible and adaptable investment mechanism, suitable for a broad spectrum of investors. These vehicles offer enhanced liquidity and flexibility compared to fixed-tenure investment schemes, e.g., fixed deposit receipts (FDR) or deposit pension scheme (DPS), and their structure is particularly well-suited for any income generating individual or institution.

Typically, individuals whose professions lie outside investment management encounter two prime obstacles: limited time and insufficient expertise to manage their investments directly. A professionally administered mutual Fund, operated by a credible asset management company, can present a compelling solution to these challenges.

In substance, a mutual Fund constitutes a trust arrangement that aggregates capital from wide array of investors ranging from retail to institution, and allocates it across a diversified portfolio of securities. In the case of open-ended Funds, there is no fixed maturity; instead, the Fund issues and redeems Units continuously, basing their price on the Fund's Net Asset Value (NAV) rather than market supply and demand alone.

Open-ended **balanced** mutual Funds in Bangladesh offer investors an opportunity to participate in professionally managed portfolios comprising both equity and fixed income securities. These Funds are designed to achieve a prudent balance between capital growth and income generation over the medium to long term. By issuing redeemable Units priced in accordance with the calculated Net Asset Value, balanced funds provide liquidity while maintaining a diversified exposure across asset classes. Through disciplined asset allocation and active portfolio management, they serve as an accessible investment avenue for retail and institutional investors seeking a harmonious blend of stability and growth potential.

2.5 Midland Bank Balanced Fund

The Midland Bank Balanced Fund offers investors an opportunity to participate in a professionally managed and well-diversified portfolio comprising both equity and fixed income securities. The Fund is designed to achieve a balanced combination of capital appreciation and regular income through prudent asset allocation across growth-oriented companies and high-quality debt instruments. By blending the return potential of equities with the relative stability of fixed income investments, the Fund seeks to deliver consistent, risk-adjusted returns over the medium to long term. Investors benefit from diversification across asset classes, disciplined portfolio management, and access to Initial Public Offering (IPO) quotas under regulatory entitlement. With the added flexibility of regular systematic investment options, the Fund is ideally suited for individuals and institutions seeking a harmonious balance between growth and stability in Bangladesh's evolving capital market. **In essence, the Fund strives to turn savings into sustainable wealth while preserving financial resilience.**

2.6 Advantages of Investing in Midland Bank Balanced Fund

Generally, investment in mutual Funds provide certain advantages when compared to investment made directly in the capital market. On top of that, Midland Bank Balanced Fund will provide much needed diversification in an investment portfolio along with a number of benefits as listed below:

1. **Diversification:** In accordance with the provisions of the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫, the Midland Bank Balanced Fund shall maintain a diversified portfolio with the objective of optimizing the risk–return profile for its investors. Diversification will extend not only across securities with varying maturities but also across multiple sectors, asset classes and issuers, thereby mitigating concentration risk. Emphasis will be placed on equities and growth-oriented securities with strong Fundamentals and sustainable earnings potential. Such diversification is intended to enhance capital appreciation opportunities while mitigating the risks associated with over-reliance on any single sector or security.
2. **Capital Preservation:** An important objective of the Midland Bank Balanced Fund is the prudent management of investor capital with a view to safeguarding its long-term value. While the Fund shall be managed with due care and diligence to mitigate downside risk, it must be emphasized that investment in securities is inherently subject to market fluctuations. Accordingly, no assurance or guarantee can be provided that capital will in all circumstances be preserved, or that losses will be entirely avoided. The Fund will, however, adopt risk-management practices and portfolio construction strategies designed to reduce the likelihood of material capital erosion.

3. **Return Generation:** The Midland Bank Balanced Fund will adopt a balanced investment approach, allocating assets across both equity and fixed income securities to achieve stable capital appreciation while managing risk. This diversified strategy aims to provide a combination of growth potential from equities and the stability associated with fixed income investments. While equity investments may experience short-term volatility, the Fund is designed to mitigate these fluctuations through its balanced approach. Investors are encouraged to view the Fund as an integral part of a diversified portfolio strategy, optimising returns while balancing risk across various asset classes.
4. **IPO Quota:** Under the prevailing regulatory framework in Bangladesh, mutual funds are entitled to a reserved **10% quota** in all Initial Public Offerings (IPOs). Historically, IPOs in Bangladesh have demonstrated comparatively strong performance relative to the broader market index, often providing attractive returns and enhancing the overall performance of mutual Fund portfolios. By investing in Midland Bank Balanced Fund, Unitholders gain indirect access to this preferential IPO allocation, a benefit that individual investors would not otherwise enjoy, thereby creating an additional source of potential value creation.
5. **Accessibility:** Midland Bank Balanced Fund offers retail investors efficient access to a professionally managed and well-diversified portfolio of securities, including equities and other approved asset classes. For individual investors, achieving such diversification independently would typically require significant capital outlay and entail higher transaction costs. By investing through the Fund, Unitholders gain proportionate exposure to a broad basket of good quality securities with a single vehicle, thereby benefitting from cost efficiency, scale advantages, and professional portfolio management in accordance with the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫, and relevant regulatory guidelines.
6. **Systematic Investment Plan (SIP) Facility:** In addition to lump sum subscriptions, the Midland Bank Balanced Fund (“the Fund”) will extend the option of investment through a Systematic Investment Plan (SIP), in conformity with applicable regulatory provisions. This facility is designed for investors who prefer disciplined and periodic contributions rather than a big one-time commitment. The SIP mechanism allows Unitholders to benefit from taka cost averaging and the potential for long-term capital appreciation through exposure to a diversified portfolio. For enhanced accessibility, the Fund’s SIP contributions may commence with a minimum instalment of BDT 2,000 (Taka Two Thousand only) per month, for a minimum period of 2 years by an investor.
7. **Dividend Distribution Policy:** In accordance with the provisions of the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫, and subject to approval of the Trustee, the Midland Bank Balanced Fund shall distribute a minimum of fifty percent (50%) of its annual realized income or as may be determined by the বিধিমালা from time to time, as dividends to Unitholders. Investors may elect to receive such dividends either in the form of cash distributions or under the Cumulative Investment Plan (CIP). Under the CIP facility, dividends are automatically reinvested into additional Units of the Fund, thereby compounding the investment balance over time while reducing transaction costs. This option enables Unitholders to enhance long-term capital growth by participating in reinvestment opportunities identified by the Fund Manager.
8. **Liquidity:** The Midland Bank Balanced Fund provides Unitholders with regular liquidity, enabling investors to redeem their Units at prevailing Net Asset Value (NAV) in accordance with the procedures set forth in this Prospectus and relevant regulatory guidelines. The Fund’s open-ended structure ensures that investors are not constrained by market liquidity and may realize their investment promptly. While redemptions are subject to applicable cut-off timings and operational procedures, the Fund is managed to maintain sufficient liquidity to meet routine redemption requests without compromising portfolio objectives or investment strategy.

2.7 Tax Advantages of Investing in the Fund

The investment tax benefits of the Fund will be available to both SIP investors and one-off investors as offered by the country's Finance Act and Income Tax Act, 2023. Currently, the following benefits are available:

- Yearly investments of up to BDT 500,000.00 (Taka Five Lakh) in Midland Bank Balanced Fund is allowed to be recognised as eligible investments under Clause 2(7)(b) of Sixth Schedule (Part 3) of Income Tax Act, 2023.
- Up to 15% of the investments in Midland Bank Balanced Fund can be claimed as tax rebate under Section 78 of the Income Tax Act, 2023.
- According to Clause 36(a) of the Sixth Schedule (Part 1) of Income Tax Act, 2023, capital gains made by investing in Midland Bank Balanced Fund of up to BDT 5,000,000.00 (Taka Fifty Lakh) is exempted from tax for an individual investor.
- According to Clause 10(a) of the Sixth Schedule (Part 1) of Income Tax Act, 2023, the income of Midland Bank Balanced Fund will be exempted from tax at the Fund level.

CHAPTER 3: THE FUND

3.1 Formation of the Fund

The Trust Deed of Midland Bank Balanced Fund was registered on September 03, 2025 under the Trust Act, 1882 and Registration Act, 1908. The Fund was registered by the BSEC on October 14, 2025 under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.

3.2 Fund Structure, Nature and Size

The Midland Bank Balanced Fund is established as an open-ended mutual Fund of perpetual duration, structured in accordance with the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫ and other applicable regulations. Midland Bank Balanced Fund is a “**Balanced Scheme**” in nature. The Fund is open to investment by institutional investors, as well as local and foreign individuals, both resident and non-resident, subject to applicable laws and regulations.

The initial size of the Fund is BDT 25,00,00,000 (Taka Twenty-Five Crore only), divided into 2,50,00,000 (Two Crore Fifty Lakh) Units of BDT 10 (Taka Ten) each. The Asset Manager may, from time to time, increase the size of the Fund with the prior approval of the Trustee and following due intimation to the Bangladesh Securities and Exchange Commission (BSEC), in order to accommodate additional subscriptions while maintaining regulatory compliance and investor protection.

3.3 Face Value, Denomination and Market Lot

Face value of each Unit will be BDT 10 (Taka Ten) only. The minimum subscription shall be 500 Units for individual investors and 5,000 Units for institutional investors. For Systematic Investment Plan (SIP) investors, a minimum monthly contribution of BDT 2,000 shall apply, for a minimum period of 2 years.

3.4 Investment Objective

The primary objective of the Midland Bank Balanced Fund is to achieve a balanced combination of capital appreciation and income generation through a prudent and disciplined investment approach, while maintaining an appropriate risk–return profile. The Fund aims to invest in a diversified portfolio that includes both equity and fixed income securities, such as equity-linked instruments and high-quality debt obligations issued by companies and institutions, as well as government securities with strong fundamentals and stable credit profiles. In pursuit of its objective, the Fund may also allocate to other approved instruments, in accordance with the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫ and applicable regulations, to optimize portfolio diversification and enhance risk-adjusted returns for its Unitholders.

3.5 Investment Policies

- i. The Fund will exclusively invest in securities listed on the Main Board, SME Platform, IPOs/QIOs seeking listing on these platforms, RPOs/RQIOs of any listed securities, rights offer, and government securities.
- ii. The Fund shall get the securities purchased or transferred in the name of the Fund.
- iii. Only the Asset Manager will take the investment decisions and place orders for securities to be purchased or sold for the portfolio of the Fund.
- iv. 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.

3.6 Investment Restrictions

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

- i. The Fund shall not lend or advance money to any individual or entity for any purpose.
- ii. The Fund shall not borrow or take loan to finance its investments.
- iii. The Fund shall not invest in non-listed securities.
- iv. The Fund shall not participate in option trading, short-selling and carry forward transactions.
- v. The Fund is prohibited from investing in securities that have been de-listed from the Main Board, or traded on the Over the Counter (OTC) Platform or any equity securities traded on the Alternative Trading Board (ATB) Platform, or any non-listed securities. If any investment falls into these categories following the Fund's investment, it must be liquidated or withdrawn within six months of the change.
- vi. Investments in debt securities or Shariah-based securities listed on a Board or Platform of any Stock Exchange must have a minimum credit rating of "A". If minimum credit rating falls below "A" following the Fund's investment, it must be liquidated or withdrawn within six months of the change in credit rating.
- vii. The Fund shall not invest more than 10% of its total assets (at cost) in shares, debentures or other securities of a single company.
- viii. The Fund shall not invest more than 25% of its total assets (at cost) in shares, bonds, debentures, or other securities of a group of companies, including the holding company, subsidiaries, and associate companies under the control of a single parent company.
- ix. The Fund shall not invest more than 40% of its total assets (at cost) in government securities. However, the condition does not apply on a Fixed Income Mutual Fund or Scheme.
- x. The Fund shall not invest more than 10% of the paid-up capital issued by an investee company.
- xi. All the mutual funds under the management of a single Asset Manager shall not invest more than 25% of the paid-up capital issued by an investee company.
- xii. The Fund shall not invest more than 30% of its total assets (at cost) in shares, bonds, debentures, or other securities in any one single sector. However, if a mutual fund scheme is established to invest in specific sectors, the above condition will not apply to that scheme and the number of sectors shall not exceed three.
- xiii. A mutual fund cannot invest in or lend to or transfer to another mutual fund. However, one scheme may transfer securities to another scheme within the same mutual fund during the liquidation or winding up of the former, provided the following two conditions are met:
 - a. The transfers must occur at a regular market price (spot trading).
 - b. The transfer of securities must align with the investment objectives of the receiving mutual fund.
- xiv. A mutual fund or its scheme shall not hold more than 20% of its assets in bank accounts, including current accounts, savings accounts, and fixed deposit receipts. Furthermore, not more than 15% of the fund's assets shall be held in bank accounts, including current accounts, savings accounts, and fixed deposit receipts with a single bank.
- xv. All funds managed by a single Asset Manager shall not hold more than 10% (in aggregate) of their total assets in bank accounts, including current accounts, savings accounts, and fixed deposit receipts with any single bank. This condition will not apply during the inception or liquidation or winding up phases of a fund. Additionally, no bank accounts may be opened or closed without permission from the Trustee.
- xvi. Cash withdrawal is not allowed from any accounts of the fund.
- xvii. Except for authorised fees or expenses as per বিধিমালা, no funds may be transferred to the Asset Manager or any connected parties to the Fund, including their Directors or CEO. Furthermore, no funds may be lent to any of these individuals or entities in any capacity.

3.7 Valuation Policy

The Fund intends to determine its NAV per Unit on every trading day by dividing the value of the net asset of the Fund (the value of total assets less total liabilities) by the total number of the Units outstanding on that day at fair value as per বিধি ৭২(১) of the বিধিমালা. As per বিধি ৭০(১) of the বিধিমালা, the valuation policy of investments of the Fund needs to be approved earlier by BSEC. Valuation criteria so far approved in the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫ are as follows:

- i. In compliance with বিধি ৭২(১) of the বিধিমালা, the Fund will use the following formula to derive NAV per Unit:

$$\begin{aligned} \text{Total NAV} &= \text{VA} - \text{LT} \\ \text{NAV per Unit} &= \text{Total NAV} / \text{Total number of Units outstanding} \end{aligned}$$

VA = Value of all securities in vault + Cash in hand and at bank + Value of all securities receivables + Receivables of proceeds of sale of investments + Dividend receivables net of tax (if any) + Interest receivables net of tax (if any) + Capitalized initial issue expenses excluding amortization costs to date + Any advance or pre-payment permissible/ approved in the বিধিমালা

LT = Value of all securities payable + Payable against purchase of investments + Payable as brokerage and custodial charges or fees + Payable as Trustee fees + Payable to any party related to the Fund + All other payable related to printing, publication and stationery + Accrued deferred expenses with regard to management fee, annual fee, audit fee and any other applicable fees permissible/ approved in the বিধিমালা

- ii. As per বিধি ৭০(২) of the বিধিমালা, the Fund shall fix the valuation method as specified in the IASs/IFRSs. Where applicable, the Fund needs to follow the guidelines provided in the বিধিমালা as well as the directives issued by BSEC from time to time.
- iii. As per বিধি ৭০(৩) of the বিধিমালা, for the valuation of thinly traded securities, Z-category securities, or any securities that have been de-listed from the Main Board or SME Board (but were not de-listed at the time of investment on behalf of the Funds), the relevant party/ valuer must adhere to directives issued by BSEC as needed. The Asset Manager and the Trustee are required to re-evaluate these investments quarterly, and the statutory auditor must provide an opinion on them in the annual report.
- iv. As per বিধি ৭১ of the বিধিমালা, any non-compliant, impaired, or illiquid investments, as well as those that do not generate income for the Fund or are deemed ineligible by the Commission, needs to be excluded from the investment portfolio. The valuation policy for such investments must comply with directives issued by the BSEC from time to time. To determine the Fund's NAV, the write-off of these investments must also adhere to BSEC guidelines. The Trustee is responsible for conducting an impartial and independent evaluation to accurately reflect the recoverable amount in their valuations. This valuation policy must receive Trustee approval, and the statutory auditor is required to provide an opinion on it in the annual report.
- v. As per বিধি ৭২(২) of the বিধিমালা, the Asset Manager shall determine the NAV (at cost price and fair value) of the Fund at the end of every business day and disclose the same as directed in the বিধিমালা.
- vi. As per বিধি ৭২(৩) of the বিধিমালা, the calculated NAV (at cost price and fair value) of the Fund shall be communicated to the BSEC and relevant stock exchanges (if applicable) via email before the commencement of trading on each business day. It shall also be disclosed on the Asset Manager's website (www.midlandamcbd.net) and notice board. If the Fund is listed on a BSEC-approved platform for unit transfers, the NAV must be uploaded on every trading day to the same.

3.8 Limitation of Expenses

Limitation of expenses so far approved by the Commission in the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫ are as follows:

- i. As per বিধি ৭৭(৬) of the বিধিমালা, total operating expense, excluding amortisation of initial issue costs of a mutual Fund or a scheme of a Fund, shall not exceed 3.5% of daily average net asset value (NAV) at fair value of the Fund during any accounting year.

- ii. As per বিধি ৭৭(৪)(ক) of the বিধিমালা, the initial issue expenses in respect of the Fund shall not exceed 2% of the collected amount of the Fund. The Asset Management Company shall furnish a detailed projected breakdown of such expenses in the prospectus of the Fund. The initial issue expenses shall be amortised over a period of 7 years.
- iii. As per বিধি ৭৭(৩) of the বিধিমালা, the Asset Manager is entitled for management and advisory fees at 0.5% of the declared fund size for pre-scheme formation period, i.e., starting from the registration date until the formation of the Fund.
- iv. As per বিধি ১১ of the বিধিমালা, every mutual Fund, or a scheme of the Fund, registered under the বিধিমালা shall pay annual fees, by a pay order or bank draft or electronic fund transfer, at the rate of 0.10% of the net asset value (NAV) at fair value of the Fund, or the scheme of the Fund, or BDT 100,000, whichever is higher, to the Commission before the beginning of next financial year.
Provided that in case of a failure to pay the annual fees within the aforesaid deadline, the Asset Manager, not the mutual Fund, shall be liable to pay a fine equivalent to the half of the annual fees for a delay of every month or a part thereof.
- v. All expenses should be clearly identified and appropriated to the Fund.
- vi. The Asset Manager shall charge for Investment Management Fees as per বিধি ৭৭(২) of the বিধিমালা.
- vii. Any other applicable charges or fees permissible/ approved in the বিধিমালা.
- viii. The Trustee shall be paid an annual trusteeship fee @ 0.08% calculated based on the net asset value (NAV) at fair value of the Fund on semi-annual in advance basis, during the life of the Fund.
- ix. The fees for Custodian services will be as follows:

| Market Price/Fair Value of the asset held by Custodian | Applicable Rate (%) |
|--|-------------------------|
| Initial BDT 250,000,000 | 0.05% |
| Next BDT 250,000,000 | 0.04% |
| Next BDT 500,000,000 | 0.03% |
| Remaining amount | BDT 50,000 |
| Transaction fees | BDT 200 per transaction |
| Maximum fee cap, i.e., total of custodianship fees and transaction fees | 0.08% |

- x. As per বিধি ৭৭(৭) of the বিধিমালা, the Trustee may claim any fees associated with legal proceedings undertaken against any parties of the Fund to protect the interests of the unitholders, subject to BSEC approval. No other party, aside from the Trustee, is entitled to claim such fees. If a verdict is delivered in favour of the fund or its unitholders, legal fees may be claimed from the opposing party. Any litigation connected to the Fund and against the Trustee, will be managed by the Sponsor of the Fund or its scheme, and the associated fees may be claimed from the fund.
- xi. As per বিধি ৭৭(৮) of the বিধিমালা, the Trustee, Custodian, and Asset Manager of all existing (already registered) funds must update their fee structures in accordance with the changes in the new বিধিমালা. However, the new fee schedule as proposed in the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫ will only take effect once the relevant clauses of the Trust Deeds have been duly amended.
- xii. The Asset Manager shall not charge transaction costs (including brokerage commission) as an expense in the statement of profit or loss and other comprehensive income.
- xiii. The expense referred to hereinabove and any other fees permissible/ approved in the বিধিমালা, which are payable or reimbursable to the Asset Manager or the Trustee shall be charged to the Fund.

3.9 Periodic Disclosure

The Fund, its sponsor, asset manager, trustee and custodian, shall make such disclosures or submit such documents as and when may be called upon by the Commission.

- i. Without prejudice to the generality of the directions above, the Fund shall furnish to the Commission the following reports, namely:
 - a. A copy of duly audited annual financial statements of the Fund including Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity, and accompanying Notes to the Financial Statements and Accounting Policies of the Fund, that are prepared in accordance with IASs/IFRSs, shall be submitted to BSEC within 03 months from the end of the financial year;
 - b. A copy of unaudited quarterly financial statements of the Fund including Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity, and accompanying Notes to the Financial Statements and Accounting Policies of the Fund, that are prepared in accordance with IASs/IFRSs, shall be submitted to BSEC within 30 days from the end of each quarter;
 - c. A quarterly portfolio statement highlighting month-end changes in portfolio position of the Fund from the previous month shall be submitted to BSEC within 10 days from the end of each month;
 - d. A quarterly statement highlighting the change in quarter-end NAV of the Fund from the previous quarter shall be submitted to BSEC within 30 days from the end of each quarter;
 - e. For an open-end mutual Fund, a monthly statement highlighting changes in new unit issue, capital received, unit repurchased, and capital redemption in every trading days of a month for the Fund shall be submitted to BSEC within 7 working days from the end of each month;
- ii. A complete quarter-end portfolio statement of the Fund shall be published to the Unitholders and uploaded in a prescribed format on the website of the Asset Manager within 30 days from the end of each quarter.
- iii. A copy of the unaudited quarterly financial statements of the Fund shall be uploaded on the website of the Asset Manager within 30 days from the end of each quarter.
- iv. Statements for all bank accounts, MFS accounts, and digital bank accounts of the Fund for the past year must be submitted to the BSEC within 15 days following the end of the year, after being verified/attested by the relevant issuing authority.

3.10 Price Fixation Policy and Sale & Repurchase Procedure

- i. The Asset Manager shall determine the sale/subscription and repurchase/redemption prices of the Fund before the beginning of each trading day.
- ii. As per বিধি ৭৩(২) of the বিধিমালা, the Asset Manager shall disclose the sale/subscription and repurchase/redemption prices of the Fund to all selling agents, as well as on its website and the designated electronic system or platform approved by the BSEC, ensuring that all relevant parties, including investors, are informed of this information.
- iii. As per বিধি ৭৩(৩) of the বিধিমালা, while determining the sale/subscription and repurchase/redemption prices of the Fund, the Asset Manager must ensure that the difference does not exceed 3% of the sale /subscription price. The sale /subscription price will be determined based on the NAV at fair value of the Fund. Furthermore, the difference between the sale /subscription price and the NAV at fair value must not exceed 2% of the NAV at fair value.
- iv. As per বিধি ৭৩(৪) of the বিধিমালা, Unitholders shall receive the repurchase/redemption value within 3 trading days of completing the unit sale/surrender procedures, which include submitting the surrender/unit sell form and transferring the units held by the Unitholders back to the Fund. Settlement will be conducted on a first-come, first-served basis. Unitholders are entitled to the repurchase/redemption price applicable on the day their surrender/sell request is made.

- v. After completion of initial subscription, the Fund will be opened to the investors for regular buy-sell of Units. The date of opening shall be declared by the Asset Manager upon approval from the Trustee and with due intimation to the BSEC.
- vi. Sale and repurchase of Units of the Fund by Asset Management Company shall remain closed during first 4 (four) weeks of July for completion of annual statutory audit and dividend declaration, if any, unless the Commission decides otherwise.

Sale and repurchase procedure are given below:

- i. The Units of Midland Bank Balanced Fund may be bought /subscribed or sold /redeemed at the registered office of Midland Bank Asset Management or its online investors' portal at: <https://invest.midlandamcbd.net> or through duly appointed Selling Agents appointed by the Asset Manager or any BSEC-approved platform. Units purchased /subscribed through a selling agent must also be surrendered /sold through the same selling agent.
- ii. As per বিধি ৫১(৪) of the বিধিমালা, to facilitate the issuance or redemption of units and the acceptance or transfer of funds, the Asset Manager shall open a bank account or MFS account with prior approval from the Trustee of the Fund, or through any other method approved by the BSEC. Cash transactions or the acceptance of funds by the Asset Manager in any other manner are not permitted.
- iii. Applications for the purchase of units must be accompanied by an account payee cheque, pay order, or bank draft in the name of 'Midland Bank Balanced Fund' for the total value of the units. For online fund transfers or BEFTN, the has to be made from the investor's bank account to the Fund's designated bank account in the name of 'Midland Bank Balanced Fund'. Similarly, for transfers from an MFS or digital bank account, the transfer must originate from the investor's MFS or digital account to the Fund's designated account in the name of 'Midland Bank Balanced Fund'.
- iv. To facilitate regular subscription payments from investors for their SIPs, the Fund must provide options for electronic fund transfers to designated bank or MFS accounts in the name of 'Midland Bank Balanced Fund'. A registered QR code containing the details of these accounts, along with a defined policy outlining the procedures, must be shared with investors and appointed Selling Agents, subject to approval from the BSEC and vetting by the Fund's Trustee.
- v. Units of the Fund must be issued to the Unitholder within 3 working days from receiving the subscription money.
- vi. After clearance/ encashment of cheque/ draft/ pay order/ successful credit of the Fund from an investor into the bank account of the Fund, the applicant will be issued with a 'Money Receipt' against every purchase of Units he/she/the institutional investor applies for. The Units will also be delivered to the Unitholder's BO A/C as provided during the registration.
- vii. Partial surrender (fraction of total Units held under a Unit Allocation Confirmation) is allowed without any additional cost subject to minimum surrender quantity of 500 (Five Hundred) Units for individuals and 5,000 (five thousand) Units for institutions. Upon partial surrender, the Unitholder will be issued with a new 'Confirmation of Unit Allocation' representing the balance of his Unit holding.
- viii. All payments/receipts in connection with or arising out of transactions in the Units shall be in Bangladeshi Taka.

3.11 Winding up Policy

3.11.1 Procedure of Winding Up

- i. As per বিধি ৫৫(১) of the বিধিমালা, if the total number of outstanding Units held by the Unitholders after repurchase at any point of time falls below 25% of the actual Units issued, the Fund will be subject to winding up.
- ii. As per বিধি ৫৫(২)(ক) of the বিধিমালা, the Fund may be wound up due to some event, which, in the opinion of the Trustee with approval from the Commission, requires the Scheme to be wound up.
- iii. As per বিধি ৫৫(২)(খ) of the বিধিমালা, if 75% of the total Unitholders accept a proposal to wind up the Fund, the Fund will be subject to winding up.
- iv. As per বিধি ৫৫(২)(গ) of the বিধিমালা, the Fund or its Scheme may also be wound up if the Commission so directs in the interest of the Unitholders.
- v. As per বিধি ৫৫(৩) of the বিধিমালা, where a Scheme is to be wound up in pursuance to the above, the Trustee and the Asset Manager shall give separate notice simultaneously of the circumstances leading up 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 both having wide circulation all over Bangladesh.

3.11.2 Manner of Winding Up

- i. As per বিধি ৫৭(১) of the বিধিমালা, the Trustee shall convene a meeting within 30 days of notifying the Unitholders in a Notice, as per বিধি ৫৫(৩) of the বিধিমালা, to discuss and pass necessary resolutions via secret ballot voting, requiring a three-fourths majority (based on the number of units) of the Unitholders present. This meeting may be held in person, online, or in hybrid format, to authorise the Trustee to initiate the winding up of the Scheme, if approved.
- ii. If it fails to have three-fourth majority mandate, the Commission shall have the power to supersede the mandate if situation demands as such.
- iii. As per বিধি ৫৭(২) of the বিধিমালা, following the decision to wind up the Fund, the Trustee, being empowered by বিধি ৫৭(১) of the বিধিমালা, shall publish a report within 30 working days, in two widely circulated national daily newspapers, including one Bangla newspaper, as well as on the websites of both the Asset Manager and the Trustee, to inform the Unitholders. The report will detail the reasons for the winding up, outline the steps to be taken prior to the winding up, specify the expenditures related to the winding up, and disclose the remaining funds to be distributed to Unitholders in the form of Net Asset Value (NAV), alongside the Audited Report of the Fund.
- iv. As per বিধি ৫৭(৩) of the বিধিমালা, following the decision to wind up the Fund, the Trustee, being empowered by বিধি ৫৭(১) of the বিধিমালা, shall dispose of the assets of the Scheme of the Fund in the best interest of the Unitholders; provided that the proceeds of sale made in pursuant to the বিধিমালা shall in the first instance be utilized to settle such liabilities as are due and after that, the balance shall be paid to the Unitholders based on their respective last proportional interest in the Fund or its Scheme according to বিধি ৫৮ of the বিধিমালা.
- v. If BSEC is convinced that all the steps have been appropriately taken for the winding up of the Fund upon receiving the report as per বিধি ৫৭(২) of the বিধিমালা from the Trustee, then BSEC shall notify the concerned Trustee in writing. Following this notification, the Fund will be deemed as wound up.
- vi. As per বিধি ৫৮(২) of the বিধিমালা, the Trustee shall arrange for the transfer of entitled funds to the respective Unitholders within 7 working days of the date of the notification letter issued by BSEC, using electronic fund transfer, bank draft, or pay order and a report detailing as such shall be submitted to BSEC within the next 7 days.
- vii. As per বিধি ৫৮(৩) of the বিধিমালা, The Trustee shall initiate the cancellation of the Trust Deed of the Fund within 30 working days of submitting the report in accordance with বিধি ৫৮(২) of the বিধিমালা. Following the revocation of the registration of the Trust Deed, the Trustee will submit a report to the BSEC upon

completion of the process.

Furthermore, after the winding up and revocation of the registration of the Trust Deed, any undistributed funds, assets, or securities shall remain under the Trustee's control in a special account and will be distributed or transferred as directed by the BSEC.

3.11.3 Effect of Winding Up

As per বিধি ৫৬ of the বিধিমালা, on and from the date of the notice of the winding up of the Fund, the Trustee or the Asset Management Company, as the case may be, shall:

- i. cease to carry on any business or investment activities of the Fund;
- ii. cease to create and cancel Units of the Fund;
- iii. cease to issue and redeem Units of the Fund.

3.12 Accounting and Measurement of Earnings

- i. The accounting year of the Fund shall be from 1st of July to 30th of June;
- ii. All accounting treatments, measurements, and entries related to the financial activities of the Fund shall be conducted in accordance with the International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), বিধিমালা and other applicable rules. The Trustee shall ensure that the financial statements of the Fund are prepared and presented in compliance with the applicable guidelines of IASs and IFRSs, ensuring transparency, accuracy, and consistency in the Fund's financial reporting.
- iii. The Fund shall keep adequate provisioning for diminution in fair value of investments as per IAS/IFRS and other applicable rules as directed by BSEC from time to time, which is highlighted in বিধি ৭৯(১) of the বিধিমালা and also shall make a full disclosure in the Financial Statements regarding the calculation methodology of the same.
- iv. As per বিধি ৭৯(২) of the বিধিমালা, if there is any deficit (or accumulated deficit) to keep the provision for a diminution in fair value of investments of the Fund, the statutory auditor shall comment on the actions taken or to be taken to address this issue in the Fund's audited report.
- v. As per বিধি ৭৯(৩) of the বিধিমালা, the Fund shall create a Dividend Equalization Reserve by allocating at least 5% yearly net profit to the reserve.
- vi. As per বিধি ৮২(২)(ক) and ৮২(২)(খ) of the বিধিমালা, the financial statements of the Fund shall be prepared in accordance with IASs/IFRSs as well as the directives issued by BSEC from time to time. The financial statements of the Fund shall include Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity, and accompanying Notes to the Financial Statements and Accounting Policies of the Fund.
- vii. As per বিধি ৭৭(৪)(ক) of the বিধিমালা, the initial issue expenses in respect of the Fund shall not exceed 2% of the collected Fund size. The Asset Manager shall furnish a detailed projected breakdown of such expenses in the prospectus of the Fund. The initial issue expenses shall be amortised over a period of 7 years.
- viii. The Asset Manager can claim 'Performance Fees' from the Fund as per বিধি ৭৭(৫) of the বিধিমালা.
- ix. As per বিধি ৭৭(৬) of the বিধিমালা, total operating expense, excluding amortisation of initial issue costs of a mutual Fund or a scheme of a Fund, shall not exceed 3.5% of net asset value (NAV) at fair value of the Fund during any accounting year.
- x. As per বিধি ৭৭(৭) of the বিধিমালা, the Trustee may claim any fees associated with legal proceedings undertaken to protect the interests of the unitholders, subject to BSEC approval. No other party, aside from the Trustee, is entitled to claim such fees. If a verdict is delivered in favour of the fund or its unitholders, legal fees may be claimed from the opposing party. Any litigation against the Trustee will be managed by the Sponsor of the Fund or its scheme, and the associated fees may be claimed from the fund.

3.13 Dividend Policy

- i. As per বিধি ৭৮(১) of the বিধিমালা, the Fund shall distribute a minimum 50% of the annual net income of the Fund in the form of dividend at the end of the accounting period after making provision for bad and doubtful investments.
- ii. As per বিধি ৭৮(২) of the বিধিমালা, dividends can be declared from the Dividend Equalization Reserve upon approval of the Trustee of the Fund.
- iii. As per বিধি ৭৮(৩) of the বিধিমালা, the declaration on dividend and its record date shall be decided in the Trustee Committee meeting of the Fund, which cannot be changed later on. Unitholders, whose names will appear in the CDBL register on the record date for the respective year, will be eligible to receive the declared dividend.
- iv. As per বিধি ৭৮(৪) of the বিধিমালা, dividend must be disbursed amongst the unitholders within 30 days from the declaration of dividend in the Trustee Committee meeting of the Fund. Correspondingly, a Dividend Distribution Compliance Report must be submitted to BSEC, Trustee and Custodian within next 7 days, from thereon. Expenses related to above shall be met from the Unitholders.
- v. As per বিধি ৭৮(৪) of the বিধিমালা, unitholders will receive a 'Letter of Intimation' outlining the following information, among others: any applicable tax deductions at source, the date of cash dividend transfer, the amount of the cash dividend, and the details of the credited beneficiary bank account, MFS account, or digital bank account.
- vi. The Asset Management Company shall open separate bank accounts for the purpose of dividend distribution, if any, of the Fund for each financial year. Notwithstanding anything in this Trust Deed, the beneficial ownership of the balances in the accounts shall vest with the Unitholders.
- vii. As per বিধি ১২(জ) of the বিধিমালা, the Fund offers a Cumulative Investment Plan (CIP) option. Under the CIP, Unitholders may reinvest their dividend income (after tax deductions) to purchase additional units instead of receiving dividends in the form of cash, based on the NAV adjusted for dividends, i.e., after dividend adjusted NAV. Unitholders can change their dividend preference in the future as they prefer.

CHAPTER 4: RISK FACTORS

Investment in the Midland Bank Balanced Fund (hereinafter referred to as “the Fund”) involves risks inherent to securities markets. Prospective investors should carefully assess these risks in light of their own financial circumstances and investment objectives prior to subscribing. It must be emphasized that there can be no assurance that the Fund will achieve its stated objectives. The value of Units in the Fund is subject to fluctuation and, upon redemption, investors may receive an amount that is less than their original investment. **The Fund is suitable only for investors who understand and accept the risks associated with a balanced allocation between growth-oriented securities and fixed income, ensuring measured risk-taking and stable cash flow generation.**

The principal risk considerations include, but are not limited to, the following:

General Risk

There is no certainty that the Fund will achieve its investment objectives. The value of the Fund may fall as well as rise, and investors may incur partial or total loss of capital. The Fund is not guaranteed or underwritten by the Government of Bangladesh, the Sponsor, or the Asset Management Company (AMC). Securities and mutual Fund investments are subject to market risks, and the Net Asset Value (NAV) of the Fund may vary depending on prevailing market conditions. Historical performance of the Sponsor, its affiliates, or the AMC does not serve as an indicator of future results. Investors are strongly advised to review this Prospectus in its entirety prior to making an investment decision

External Risk Factor

The performance of the Fund will be influenced by macroeconomic and socio-political conditions in Bangladesh. Adverse events such as political unrest, regulatory changes, natural calamities, or health-related crises (e.g., epidemics or pandemics) may negatively affect the capital market and, by extension, the value of the Fund’s portfolio.

Market Risk

The equity market in Bangladesh is characterized by high volatility. Prices of listed securities may experience sharp and unpredictable fluctuations, which may lead to significant depreciation in the Fund’s value. Furthermore, the market price of the Fund’s Units may not always align with their underlying NAV, thereby exposing investors to additional valuation risk.

Concentration Risk

Given the limited breadth of listed securities on the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE), the Fund may, at times, face challenges in achieving broad-based portfolio diversification. Similarly, the underdeveloped nature of the domestic debt market and limited money market instruments may constrain reallocation between asset classes, thereby impacting the Fund’s flexibility in risk management.

Dividend Risk

Notwithstanding prudent investment selection, the Fund’s income may be adversely affected if investee companies fail to declare or disburse dividends as expected. Regulatory restrictions or caps on corporate dividend payouts may further constrain income generation and reduce distributable earnings of the Fund.

Liquidity Risk

Investments in unlisted equity securities or pre-public offer placements may entail heightened liquidity risk. Market volatility or thin trading volumes can impede the Fund’s ability to sell securities at prevailing fair values, potentially leading to losses. Although listed securities generally offer greater liquidity, their salability is ultimately dependent on overall trading activity in the exchanges.

Investment Strategy Risk

As the Fund will be actively managed, returns are dependent on the investment decisions of the Asset Manager. While the Asset Manager will employ established research methodologies and risk control frameworks, there is no guarantee that these strategies will yield the desired results.

Credit Risk

The credit risk of an issuers is also associated with the Fund Since the Fund will seek to invest as per the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫ in both equity and fixed income securities. 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.

Earnings and Valuation Risk

As the Fund will invest predominantly in equities and equity-linked instruments, its performance will be closely linked to the earnings growth, financial strength, and valuation of the underlying companies. A decline in corporate earnings, weaker-than-expected financial results, or market overvaluation may negatively impact share prices and, consequently, the Net Asset Value (NAV) of the Fund.

Equity Market Volatility Risk

Equity securities are inherently more volatile than fixed income instruments. Market fluctuations arising from investor sentiment, macroeconomic factors, regulatory changes, or global developments can lead to sharp variations in share prices over short or extended periods. Such volatility may result in substantial gains or losses for the Fund.

Interest Rate Risk

Movements in interest rates may affect the valuation of debt and money market instruments within the portfolio. Typically, an increase in interest rates results in a decline in bond values, and vice versa. Investments in zero-coupon instruments, which lack periodic coupon payments, are particularly sensitive to such fluctuations.

Issuer Risk

The performance of individual securities may be adversely affected by factors unique to the issuer, including but not limited to poor governance practices, Lack of financial transparency, or managerial inefficiency. Such risks may arise unexpectedly and cannot be fully mitigated, despite rigorous due diligence and research. Exposure to securities facing issuer-specific challenges may adversely affect the Fund's overall value.

CHAPTER 5: FORMATION, MANAGEMENT AND ADMINISTRATION

5.1 Trustee of the Fund

To reinforce maximum trust and confidence of the investors, Advisory bodies and the persons concerned towards the Fund, Sandhani Life Insurance Company Ltd. (SLIC) will act as the Trustee of the Fund. SLIC is a leading insurance company 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. They 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:

| Sl. | Name | Designation (In the Trustee Committee) | Designation (In the Company) |
|-----|-------------------------|---|---------------------------------|
| 1 | Col. Wais Huda (Retd.) | Chairman | Director |
| 2 | Shaheduzzaman Choudhury | Member | Independent Director |
| 3 | Nemai Kumar Saha | Member | Chief Executive Officer |
| 4 | Md. Mizanur Rahman | Member | Company Secretary |

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

5.2 Custodian of the Fund

With an unblemished history of over a century in the Banking arena, Commercial Bank of Ceylon PLC (CBC) is the most internationally-lauded financial institution in Sri Lanka. CBC is the only Sri Lankan bank to be ranked among the Top 1,000 banks of the world and has the highest market capitalization among Sri Lankan banks.

CBC's operational modality reflects extraordinary commitment and knowledge of the members of the Management for which the Bank is accorded the donor of AAA rating by CRISL (Credit Rating Information & Services Limited) Bangladesh for the 15th consecutive years during June 2025. In addition to above, CBC has received several awards and accolades closing year as well from world renowned magazines based in famous financial hubs such as USA, UK, Dubai, Singapore etc. where we have been adjudged as Best Foreign Bank in Bangladesh, Most recommended foreign Bank in Bangladesh, Most sustainable Bank in Bangladesh and Best Corporate Bank in Bangladesh. Currently CBC has 11 branches, 06 SME service centres and 02 sub Branches in Bangladesh. Nevertheless, the Bank continues to benefit immensely from the perspective shared by our major shareholder, International Finance Corporation (IFC).

It is worth to mention that, the capital of CBC Bangladesh Operation stands at USD 254.55 million and the capital adequacy ratio stands at 56.91% as at 30 June 2025, which is one of the highest among banks operating in Bangladesh against BASEL III requirement of 12.50%. The Bank also records one of the lowest NPL ratios in the Bangladesh Banking industry at 0.85% which clearly shows our prudent management as well as our stability.

5.3 Sponsor of the Fund

Midland Bank PLC. (MDB), a fourth-generation commercial bank incorporated in 2013, has established itself as a client-centric institution with a vision to deliver inclusive and innovative financial solutions. Guided by a highly experienced Board of Directors and managed by a professional management team, the Bank offers a full suite of corporate, retail, MSME, Islami, and digital banking services across Bangladesh. MDB maintained a Gross Non-Performing Loan (NPL) ratio of 3.78% in 2024, well below the industry average of 20.20%, reflecting its prudent lending policies, strong recovery mechanisms, and sound risk management practices. The Bank maintains a strong capital base, with a Capital to Risk Weighted Asset Ratio (CRAR) of 16.78% against the regulatory requirement of 12.5%. The Bank upholds robust standards of corporate governance, emphasizing transparency, accountability, and ethical conduct, underpinned by regulatory compliance and oversight by its Board. Upholding the slogan “Bank for Inclusive Growth”, MDB is committed to financial sustainability, innovation, and responsible banking. As sponsor of the Fund, MDB will contribute BDT 2.50 Crore, demonstrating its long-term commitment to the growth of Bangladesh’s capital market.

5.4 Asset Manager of the Fund

Midland Bank Asset Management Company Limited (MDBAMC) is a wholly-owned subsidiary of Midland Bank PLC, established with the approval of the Bangladesh Securities and Exchange Commission (BSEC) to operate as a licensed Asset Management Company on August 04, 2024 under the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫. The Company is mandated to manage collective investment schemes, including mutual Funds, with the objective of providing investors with professionally managed, diversified investment opportunities.

Founded by a team of seasoned professionals with a proven track record, MDBAMC is dedicated to delivering robust investment results by leveraging long-term value-investing opportunities for our Unitholders. Our executives, who have CFA designation and are pursuing CFA designation and hold professional chartered accountancy qualifications, i.e., FCCA, possess the required expertise and commitment necessary to safeguard Unitholder interests under all circumstances, guided from the top by veteran bankers from Bangladesh’s financial sector. Leveraging the strong backing of Midland Bank PLC., the parent organisation, and its institutional framework, MDBAMC aims to deliver long-term value to investors through disciplined investment processes, research-driven decision-making and prudent portfolio management.

5.5 The Board of Directors and Senior Management of the Asset Manager

Mr. Md. Ahsan-uz Zaman, Chairman

Mr. Md. Ahsan-uz Zaman serves as the Managing Director & CEO of Midland Bank PLC. and Chairman of Midland Bank Asset Management Company Limited (MDBAMC). He possesses more than 35 years of distinguished banking experience, both in Bangladesh and abroad, with a proven track record of leadership across diverse areas of financial services.

Mr. Zaman began his professional journey at ANZ Grindlays Bank as Management Trainee in 1982. He also held senior positions at leading global financial institutions, including JP Morgan Chase, Morgan Stanley, BNP Paribas, and ANZ Grindlays Bank. Mr. Zaman worked with Bank of America in New York, where he held responsibilities within its Global Wealth and Investment Management Division across a wide geographical territory. In Bangladesh, he served as Additional Managing Director of Mutual Trust Bank PLC prior to joining Midland Bank.

Mr. Zaman earned his MBA in 1982 from the Institute of Business Administration (IBA), University of Dhaka, and holds a Bachelor’s degree in English Literature. His career reflects deep expertise in corporate governance, strategic planning, risk management, and financial stewardship. At Midland Bank, he has successfully guided the institution towards innovation and sustainable growth. As Chairman of MDBAMC, he is committed to fostering disciplined Fund management and contributing to the development of Bangladesh’s capital market.

Mr. Riaz Ahmed Choudhury, Independent Director

Mr. Riaz Ahmed Choudhury is a seasoned financial services professional with over 28 years of experience in banking, corporate finance, and investment. The majority of his career, spanning 24 years, was with The Hongkong and Shanghai Banking Corporation Limited (HSBC), where he held senior leadership roles overseeing corporate, institutional, and government sector clients. He also served at IPDC Finance in Bangladesh, contributing to business development, risk management, and strategic restructuring initiatives.

Mr. Choudhury holds bachelor's and master's degrees in Finance from the University of Dhaka, along with an MBA in International Business, jointly offered by the Maastricht School of Management, The Netherlands, and Independent University, Bangladesh. He has participated in international leadership and executive programs conducted by institutions including INSEAD, London Business School, PwC, and IIM.

Beyond banking, Mr. Choudhury is engaged in social initiatives, including as Treasurer of the National Heart Foundation Hospital & Research Institute, and serves as an Independent Director of Power Grid Company of Bangladesh Ltd. and Midland Bank PLC.

Mr. Khondkar Towfique Hossain, Director

Mr. Khondkar Towfique Hossain serves as Director of Midland Bank Asset Management Company Limited (MDBAMC). With more than 25 years of banking experience, he has developed extensive expertise across trade finance, cross-border payments, correspondent banking, and financial institutions business. As one of the first Certified Documentary Credit Specialists (CDCS) in Bangladesh, Mr. Hossain has demonstrated his commitment to professional excellence and international best practices.

In his capacity as Head of International Division & NRB at Midland Bank PLC., he contributes to strategic oversight through membership of key committees, including the Asset Liability Committee (ALCO), Risk Management Committee, and Credit Committee. His experience in governance, compliance, and process automation equips him to provide effective stewardship to MDBAMC.

As a Director, Mr. Hossain brings a strong focus on protecting investor interests, promoting disciplined Fund management, and supporting the sustainable growth of Bangladesh's capital market in alignment with regulatory requirements and fiduciary responsibilities.

Mr. Didarul Islam, Director

Mr. Didarul Islam is the Chief Financial Officer of Midland Bank PLC. and a Director of Midland Bank Asset Management Company Limited (MDBAMC). He has over 17 years of progressive experience in financial management, regulatory compliance, audit, and risk oversight in Bangladesh's banking sector.

Mr. Islam joined Midland Bank PLC. in 2014, where he has played a central role in strengthening financial controls, implementing IFRS/IAS standards, enhancing regulatory reporting, and overseeing budgeting, taxation, and financial administration. Prior to that, he served at Mutual Trust Bank PLC as Deputy Group Chief Financial Officer and began his career with Howladar Yunus & Co. (a member of Grant Thornton International), where he gained extensive experience in audit and assurance.

He holds a Master's degree in Accounting and is partly qualified as a Chartered Accountant. With his strong background in financial governance, automation and operational discipline, Mr. Islam provides valuable oversight to MDBAMC's fiduciary responsibilities as Fund Manager.

Mr. Sushanta Sekhar Deb, Director

Mr. Sushanta Sekhar Deb is a seasoned treasury and financial services professional with over 12 years of progressive experience, working as the Head of Treasury & Market Risk Division (Front) at Midland Bank PLC. and also as a Director at Midland Bank Asset Management Company Limited.

His distinguished career includes senior treasury leadership positions at renowned institutions such as The City Bank PLC and Woori Bank Bangladesh, where he was responsible for managing foreign currency portfolios, optimizing balance sheet efficiency, and implementing robust investment strategies for foreign exchange and fixed income. His expertise spans treasury management, liquidity planning, sovereign securities investment, and comprehensive risk oversight, with a proven ability to optimize risk-adjusted returns.

Mr. Deb holds a Bachelor's degree in Finance & Banking and an MBA in Finance from Shahjalal University of Science and Technology. He is also an alumnus of a prestigious Fulbright scholarship program (Study of the US Institute for Student Leaders) Funded by US State Department and organised by University of Alabama in Huntsville. He has participated in advanced treasury and leadership training programs in Bangladesh, South Korea & Sri Lanka. His strategic vision and hands-on experience are invaluable assets to the asset management team.

Mr. Mohammad Samir Uddin, CFA, Chief Executive Officer

With over 14 years of professional experience in the Bangladesh capital market and banking sector, Mohammad Samir Uddin has in-depth knowledge of the securities market and has proven experience in setting up an Asset Management Company at his previous employment, MBL Asset Management Limited, where he served as CEO. He also briefly served as CEO at Shahjalal Asset Management Limited before his tenure at MBL Asset Management. In addition, he served as a Fund Manager at VIPB Asset Management Company Ltd. He began his banking career as a Management Trainee Officer at Export Import Bank of Bangladesh Limited, where he progressed to the position of Principal Officer. He also worked as a Management Trainee Officer at the Industrial and Infrastructure Development Finance Company Limited (IIDFC). He started his professional career in 2011 as a Trainee Officer at HAC Securities Limited.

Mr. Samir is a CFA charter holder. He completed his BBA and MBA from the Faculty of Business Studies, majoring in Finance, from the University of Dhaka. He possesses BBA and MBA in Finance from the University of Dhaka. He is an active member of CFA Society Bangladesh. Furthermore, he has completed JAIBB and AIBB.

Mr. Rashedul Hasan Yasin FCCA, Chief Operating Officer

Mr. Rashedul Hasan Yasin serves as the Chief Operating Officer of Midland Bank Asset Management Company Limited (MDBAMC), having been instrumental in establishing its operational framework and investment management prudence since obtaining the Asset Management license in August 2024. He is a seasoned capital market professional with nearly a decade of specialised experience in the asset management industry.

Prior to joining MDBAMC, Mr. Yasin honed his expertise for nearly a decade at prominent institutions, including VIPB Asset Management and Asian Tiger Capital Partners Asset Management. His earlier career includes valuable tenure within a reputed chartered accountancy firm and experience of restructuring the finance function of a health-tech start-up. Being a proponent of long-term value investing, he brings a disciplined, research-oriented approach to investment management. This is further strengthened by his background in academic and corporate research, which provides a robust foundation for in-depth company analysis.

Mr. Yasin is an FCCA (a Fellow member of Association of Chartered Certified Accountants from the UK) and holds a BSc (Hons) in Applied Accounting from Oxford Brookes University, UK. He is currently pursuing the Chartered Financial Analyst (CFA) designation.

5.6 INVESTMENT MANAGEMENT

5.6.1 INVESTMENT MANAGEMENT FRAMEWORK

Midland Bank Balanced Fund will be managed in accordance with a disciplined and transparent investment framework that combines both **top-down macroeconomic analysis and bottom-up security selection**. This hybrid methodology seeks to optimize portfolio outcomes by integrating broader economic and sectoral insights with rigorous company-level research. A hybrid of top down and bottom-up approach will be adopted with the following investment management process and risk control measures.

The Strategic Approach:

- Asset allocation will be determined following an assessment of the macroeconomic environment, regulatory landscape, fiscal and monetary policy trends, interest rate movements, and prevailing capital market conditions.
- Sector selection will be guided by economic cycles, competitive positioning, and long-term structural growth potential and as per rules mentioned in বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫.
- Security selection will focus on companies with sound Fundamentals, robust governance, sustainable earnings and cash-flow generation, and a demonstrable competitive advantage.

Research and Valuation:

The Asset Manager will maintain a structured research process, encompassing financial modelling, valuation methodologies, and assessment of intrinsic value. Securities deemed undervalued relative to intrinsic worth, and offering an adequate margin of safety, will be prioritized.

Decision-Making:

All investment decisions will be subject to the approval of the Investment Committee of Midland Bank Asset Management Company Limited, comprising the investment management team and senior investment professionals. This committee will review research outputs, approve strategic and tactical allocations, and determine rebalancing requirements.

Execution and Monitoring:

The portfolio will be implemented with due regard to fiduciary obligations, ensuring trade execution policies are efficient, transparent, and in the best interests of investors. Continuous monitoring and timely rebalancing will ensure alignment with the Fund's investment objectives.

5.7 Auditors

Hoda Vasi Chowdhury & Co., Chartered Accountants, having office at BTMC Bhaban (6th & 7th Floor), 7-9 Karwan Bazar Commercial Area, Dhaka-1215, Bangladesh will be the auditor for the initial accounting year. Subsequent auditors shall be appointed by the Trustee.

5.8 Fees and Expenses

The Fund will pay the fees to the Asset Manager, Trustee, Custodian, CDBL and BSEC together with any other valid 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, conversion, promotion, registration, CDBL fees, public offering together with certain other costs and expenses incurred in its operation, including expenses of legal and consulting service, auditing, other professional fees and expenses, brokerage commission 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:

5.8.1 Issue and Formation Expenses

As per বিধি ৭৭(৪)(ক) of the বিধিমালা, the initial issue expenses in respect of the Fund shall not exceed 2% of the collected Fund. The Asset Management Company shall furnish a detailed breakdown of such estimated expenses in the prospectus/offer document of the Fund. The issue and formation expense will be amortised over 7 years on a straight-line method. The estimated expenses for the conversion of the Fund are presented below with the assumption of an initial Fund size of BDT 25,00,00,000 (Taka Twenty-Five Crore):

| SL | Type of expenses | Percentage of the initial target Fund size | Total | Breakdown | Description |
|----|---|--|-------------------|-----------|---|
| 1 | Pre-scheme formation period fees payable to AMC (From the Trust Deed registration date until formation of the scheme) | 0.20% | 510,274₳ | | The Trust Deed of the Fund was registered on September 03, 2025. As per বিধি ৭৭(৬) of the বিধিমালা, the Asset Manager shall be entitled for Pre-scheme formation period fees from September 03, 2025 until the formation of the Fund on BDT 25,00,00,000 at 0.5%. For cost estimation purposes, the formation date of the Fund is assumed to be January 30, 2026, which may vary at actual. |
| 2 | Legal & Compliance related expenses | 0.41% | 1,033,000₳ | | |
| | | | | 100,000₳ | Initial application fees paid to BSEC |
| | | | | 500,000₳ | Fund registration fees paid to BSEC (0.2% of the initial size of the Fund) |
| | | | | 94,025₳ | Documentation and processing fees for Trust deed registration |
| | | | | 3,800₳ | Registration fees paid to the Government for Trust deed registration |
| | | | | 250,000₳ | Stamp duty paid to the Government for Trust deed registration (0.1% of the initial size of the Fund/value in the Trust Deed) |
| | | | | 86,000₳ | CDBL Fees: i. BDT 37,500/- for distribution of 2.5 Crore Units (2,50,00,000 × 10/- × 0.00015) ii. BDT 40,000/- as the annual fees for the year of allotment iii. BDT 6,000/- as depository connection fee for the year of allotment iv. BDT 2,500/- as documentation fee |
| 3 | Printing & publications | 0.26% | 650,000₳ | | |
| | | | | 300,000₳ | Printing of prospectus |
| | | | | 100,000₳ | Designing of prospectus and forms |
| | | | | 250,000₳ | Publication of abridged version of the approved prospectus and IPO notification on national daily newspapers |
| | Total | 0.88% | 2,194,099₳ | | |

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

5.8.2 Management Fee

In consideration of its services as the Asset Manager of the Fund, Midland Bank Asset Management Company Limited (the “Asset Manager”) shall be entitled to receive a management fee as per বিধি ৭৭(২) of বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫, calculated on the basis of the daily average Net Asset Value (NAV) of the Fund, as detailed in the table hereunder:

| Fund Size (weekly average NAV) | Management Fees |
|---|-----------------|
| Up to BDT 5.00 Crore (initial) | 2.00% per annum |
| On the portion exceeding BDT 5.00 Crore and up to BDT 25.00 Crore (next BDT 20.00 Crore) | 1.50% per annum |
| On the portion exceeding BDT 25.00 Crore and up to BDT 50.00 Crore (next BDT 25.00 Crore) | 1.25% per annum |
| On the portion exceeding BDT 50.00 Crore and up to BDT 200.00 Crore (next BDT 150.00 Crore) | 1.00% per annum |
| On the portion exceeding BDT 200.00 Crore (any amount) | 0.75% per annum |

The Fund's NAV will be calculated daily on a fair-value basis and payable at the end of each financial quarter, with the management fee accruing continuously.

5.8.3 Trustee Fee

The Trustee shall be paid an annual trusteeship fee @ 0.08% calculated based on the net asset value (NAV) at fair value of the Fund on semi-annual in advance basis, during the life of the Fund.

5.8.4 Custodian Fee

The fee for Custodian services will be calculated as per the following schedule:

| Description | Amount in BDT |
|---|---------------|
| Mutual Fund – Transaction Fee (Per Transaction) | 200.00 |
| Mutual Fund-Management and Safekeeping Fee: | |
| For the first BDT 250,000,000.00 | 0.05% |
| For the next BDT 250,000,000.00 | 0.04% |
| For the next BDT 500,000,000.00 | 0.03% |
| For the remaining amount | BDT 50,000.00 |
| Terms and Conditions: | |
| There'll be a maximum fee cap of 0.08%. The combined fees, i.e., the total of custodianship fees and transaction fees, will not exceed 0.08% for any particular month/period. | |

5.8.5 CDBL Fee

The Annual fee of CDBL based on face value of the total Fund size as follows:

| | |
|--------------------------------------|--------------|
| Up to BDT 5 Crore | N/A |
| Above BDT 5 Crore up to BDT 20 Crore | BDT 20,000/- |
| Above BDT 20 Crore | BDT 40,000/- |

Annual Depository connection fee will be BDT 6,000/-.

5.8.6 Fund Registration and Annual Fee

The Fund has remitted BDT 500,000 (Taka Five Lakh) to the Bangladesh Securities and Exchange Commission as a registration fee and is also required to pay 0.10% of the Fund's value or BDT 100,000 (Taka One Lakh), whichever is higher as annual fee, in accordance with বিধি ১১(১) of the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫.

5.8.7 Audit Fee

The audit fee for the first accounting year will be BDT 30,000 (taka thirty thousand) excluding VAT, with the Trustee responsible for determining the fees for subsequent years.

5.8.8 Brokerage Fee

The Fund will compensate the stockbroker with a commission not exceeding 0.30% of the total transaction amount, inclusive of Howla, Laga, CDBL fees, and any other associated costs.

5.8.9 Expense for Marketing, Distribution and Selling Agent

The Fund will charge valid and allowable expenses relating to its marketing, distribution, and selling agents, in compliance with other applicable rules and regulations within the বিধিমালা. Initially, the units of the Fund shall be sold solely by the Asset Management Company and its online platform at: <https://invest.midlandamcbd.net>. The Asset Manager may, in future, appoint or terminate selling agents, subject to the approval of the Trustee and prior notification to the BSEC. Any commission or fee payable to such selling agents shall be determined through negotiation and shall comply with applicable rules and regulations in the বিধিমালা.

5.8.10 Amortisation of Issue and Formation Expenses

In accordance with বিধি ৭৭(৪)(ক) of the বিধিমালা, the Asset Manager shall be entitled to amortise the initial issue expenses of the Fund over a period of 7 years, applying the straight-line method. Such expenses, including those incurred in connection with the initiation of the Fund, shall in no circumstances exceed 2% of the collected amount of the Fund.

As per বিধি ৭৭(৬) of the বিধিমালা, total operating expense, excluding amortisation of initial issue costs of a mutual Fund or a scheme of a Fund, shall not exceed 3.5% of daily average net asset value (NAV) at fair value of the Fund during any accounting year.

All expenses shall be accounted for in strict compliance with the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫, applicable regulatory framework, and duly disclosed in the Fund's audited financial statements.

CHAPTER 6: SIZE OF THE FUND AND RIGHTS OF UNITHOLDERS

6.1 Size of the Issue

The authorised initial size of the Fund shall be BDT 25,00,00,000 (Taka Twenty-Five Crore), divided into 250,00,000 (Two Crore Fifty Lakh) Units of BDT 10 (Taka Ten) each. The size of the Fund may, from time to time, be enhanced by the Asset Management Company, subject to the prior approval of the Trustee and with due notification to the Bangladesh Securities and Exchange Commission (“the Commission”), until such time as the Fund is liquidated in accordance with the governing regulations.

| Subscriber | Number of Units | Face value | Amount (BDT) | Status |
|--|--------------------|------------|---------------------|----------------------|
| Midland Bank PLC. (Sponsor contribution) | 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

Midland Bank PLC., the sponsor, has subscribed BDT 2,50,00,000 (Taka Two Crore and Fifty Lakh) only worth of Units, which is equivalent to 25,00,000 (Twenty-Five Lakh) Units of BDT 10 (ten) each at par.

6.3 Rights of the Unitholders

In accordance with the provisions of the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫ and the Trust Deed, the rights of the Unitholders of the Fund shall include, but not be limited to, the following:

- a) **Voting Rights:** Each Unitholder shall be entitled to exercise voting rights at meetings convened by the Trustee in circumstances prescribed under the Trust Deed or the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫. Voting may be exercised in person or by proxy. On a show of hands, every Unitholder present in person or by proxy shall have one vote; on a poll, each Unitholder shall have one vote for every Unit held.
- b) **Transfer of Units:** Units of the Fund shall be transferable in accordance with law, including by way of inheritance, gift, or other legally recognised transfer.
- c) **Dividend Rights:** All Unitholders shall enjoy equal and proportionate entitlement to dividends if declared by the Fund.
- d) **Periodic Information:** Unitholders shall be entitled to receive the audited annual accounts and the Annual Report, if any, of the Fund. In addition, the Net Asset Value (NAV) of the Fund shall be disclosed on a daily basis through the Asset Manager’s website, appointed Selling Agents, or any other medium deemed appropriate by the Asset Manager.
- e) **Accounts and Disclosure:** The financial year of the Fund shall close on 30th June of each year. The Annual Audited Report, together with the principal components of the income and expenditure account and balance sheet (prepared in accordance with Schedule VII of the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫), shall be published within 60 days of the year-end as per বিধি ৮১ of the বিধিমালা. As per বিধি ৩৫(১৪) of the বিধিমালা, the Asset Manager must disclose the NAV of the fund(s) under its own management (both at cost price and market value) in the notice board and website, before start of every trading day.
- f) **Beneficial Interest:** Unitholders shall hold only the beneficial interest in the trust property of the Fund, in proportion to their Unit holdings in accordance with the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০২৫.

CHAPTER 7: UNIT SUBSCRIPTION

Terms and Conditions of Unit Subscription

- i. **Purchase and Redemption:** Units of the Midland Bank Growth Fund may be purchased or surrendered through Midland Bank Asset Management Company Limited, the Asset Manager, or its online investors' portal at: <https://invest.midlandamcbd.net> or any BSEC-approved platform or through its duly appointed Selling Agents as may be appointed from time to time.
- ii. **Eligible Applicants:** Applications may be made by individuals (resident or non-resident), companies or corporations (domestic or foreign), trusts, or registered societies, whether incorporated in Bangladesh or abroad. Applications will not be accepted from firms, minors, or persons lacking legal capacity.
- iii. **Joint Applications:** Joint applications by two persons shall be permitted. In such cases, the Units shall be registered in the name of the principal applicant, and all dividends or benefits shall be credited to the principal applicant's designated bank or BO account. In the event of the death of one holder, the survivor shall retain title to the Units; in the event of both holders' death, the nominee shall be recognised as successor.
- iv. **Minimum Investment:** The minimum subscription shall be BDT 5,000 for individual investors and 50,000 for institutional investors. For Systematic Investment Plan (SIP) investors, a minimum monthly contribution of BDT 2,000 shall apply.
- v. **Application and Payment:** Applications must be accompanied by an account payee cheque, pay order, bank draft or online bank transfer in favour of Midland Bank Balanced Fund.
- vi. **Allotment of Units:** Upon clearance of Funds, a Confirmation of Unit Allocation shall be issued. Where a BO account is provided, the Units will be credited in dematerialised form.
- vii. **Partial Redemption:** Partial surrender of Units is permitted, subject to a minimum redemption of 500 Units for individuals and 5,000 Units for institutions. Following such redemption, a revised Confirmation of Unit Allocation will be issued.
- viii. **Transfer of Units:** Units may be transferred by way of inheritance, gift, or other lawful means. A nominal transfer fee may be levied, except in cases of inheritance.
- ix. **Dividend Entitlement:** Dividends shall be distributed either in cash or under the Cumulative Investment Plan (CIP), as per the Unitholder's election in the application form. Preferences may be modified subsequently upon due notice. Under the CIP, Unitholders may reinvest their dividend income (after tax deductions) to purchase additional units instead of receiving dividends in the form of cash, based on the NAV adjusted for dividends, i.e., after dividend adjusted NAV.
- x. **Settlement of Transactions:** All payments in connection with the subscription, redemption, or transfer of Units shall be made in Bangladeshi Taka.

CHAPTER 8: SELLING AGENTS

8.1 Selling agents:

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

Address for sell and repurchase:

Midland Bank Asset Management Company Limited

N.B. Tower (Level 14)
40/7, North Avenue, Gulshan-2,
Dhaka – 1212, Bangladesh

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
- v. Power of Attorney Form
- vi. SIP Application Form
- vii. SIP Direct Debit Authorization Form

MIDLAND BANK BALANCED FUND

APPLICATION FORM TO PURCHASE UNITS – INDIVIDUAL

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

Date: _____

To
Chief Executive Officer
Midland Bank Asset Management Company Limited
N.B. Tower (Level 14), 40/7, North Avenue,
Gulshan-2, Dhaka – 1212, Bangladesh.

Registration No.: _____
Sale No.: _____

I/We enclose Tk. _____ (In words: _____) vide Cheque /P.O.
/D.D. No. _____ Bank _____ Branch _____ dated
_____ and request you to sell us _____ units of **Midland Bank Balanced Fund**, at the price of Tk. _____ per unit,
as declared on _____, Please find further information below:

A. Principal Applicant

Registration No. (for existing unit holder only): _____
Name: _____
Father's/Husband's Name: _____
Mother's Name: _____
Date of Birth: _____ Occupation: _____
Nationality: _____ NID No.: _____
Address: _____
BO ID No.: _____
Contact No.: _____ E-mail: _____
Bank: _____ Branch: _____
A/C No.: _____ Bank Routing No.: _____
e-TIN No.: _____
Source of fund: _____ Dividend option: Cash CIP

**Photograph of
Principal Applicant**

B. Joint Applicant

Name: _____
Father's/Husband's Name: _____
Mother's Name: _____
Date of Birth: _____ Occupation: _____
Nationality: _____ NID No.: _____
Address: _____
Contact No.: _____ E-mail: _____

**Photograph of
Joint Applicant**
(Attested by
Principal Applicant)

C. Nominee

Name: _____
Father's/Husband's Name: _____
Mother's Name: _____
Relationship with principal applicant: _____
Date of Birth: _____ Occupation: _____
Nationality: _____ NID No. : _____
Address: _____
BO ID No.: _____ e-TIN No.: _____
Contact No.: _____ E-mail: _____
Signature: _____

**Photograph of
Nominee**
(Attested by
Principal Applicant)

Signature of Applicants:

Principal Applicant

Joint Applicant

TERMS AND CONDITIONS

1. The units of **Midland Bank Balanced Fund**, hereinafter referred to as 'the Fund', may be bought /surrendered through **Midland Bank Asset Management Company Limited (MDBAMC)** and authorized selling agents appointed by **MDBAMC** from time to time. Surrender of units is allowed through **MDBAMC** or the selling agent from which the units are originally purchased.
2. Application must be made by an individual (both resident and non-resident) and not by a minor or persons of unsound mind or any person who is ineligible to enter into a contract.
3. Joint application by two persons is acceptable. In such a case, registration and issuance of unit allocation confirmation will be in favour of principal applicant while dividend and other benefits, if any, will be addressed to bank account of principal applicant mentioned in the application form. In case of the death of any of the joint holders, only the survivor shall be recognized as having any title to the units. On death of both the joint holders, the title to the units will bestow upon the nominee mentioned in the application form.
4. Minimum purchase quantity for individual investors is 500 (five hundred) units.
5. Application for purchase of units should be accompanied by an account payee cheque/pay order/bank draft/online fund transfer in favour of "**Midland Bank Balanced Fund**" for the total value of units.
6. After clearance/encashment of cheque/draft/pay order, the applicant will be issued with a confirmation of unit allocation for every purchase with a denomination of number of units he/she/the institutional investor applies for. If BO ID No. is provided during the registration, the units will also be delivered to the unit holder's BO ID No. in demat form.
7. Partial surrender (fraction of total units held under a unit allocation confirmation) is allowed without any additional cost subject to minimum surrender quantity of 500 (five hundred) units for individuals. Upon partial surrender, the unit holder will be issued with a confirmation of allocation representing the balance of his unit holding.
8. The units may be transferred by way of inheritance/gift and/or by specific operation of the law. In case of transfer, the Fund may charge a nominal fee as decided by **MDBAMC** from time to time except in the case of transfer by way of inheritance.
9. Dividend may be delivered in cash or by way of units under **Cumulative Investment Plan (CIP)** as the applicant gives opinion in the application form.
10. All payments /receipts in connection with or arising out of transactions in the Units hereby applied for shall be in Bangladeshi Taka and through the banking channel.
11. Units may be surrendered on all working days except last working day of the week and during the book closure period of the Fund.

FOR OFFICIAL USE ONLY

Registration No.: _____

Date: _____

Sale No.: _____

No. of Units: _____

Unit Allocation Confirmation No.: _____

Sign and Seal of Issuing Office

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

Signature of the Applicant(s)

MIDLAND BANK BALANCED FUND

APPLICATION FORM TO PURCHASE UNITS – INSTITUTION

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

Date:

To

Chief Executive Officer
Midland Bank Asset Management Company Limited
N.B. Tower (Level 14), 40/7, North Avenue,
Gulshan-2, Dhaka – 1212, Bangladesh.

Registration No.:
Sale No.:

I /We enclose Taka _____ (Taka _____) vide Cheque /P.O. /D.D. No. _____ Bank _____ Branch _____ dated _____ and request you to sell us _____ units of **Midland Bank Balanced Fund**, at the price of Tk. _____ per unit, as declared on _____. Please find further information below:

Registration No. (for existing unit holder only): _____

Name of the institution: _____

Type of institution: Local Company Foreign Company Trust Society Other

Registration No.: _____ e-TIN No.: _____

Address: _____ BO ID No.: _____

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

Bank: _____ Branch: _____

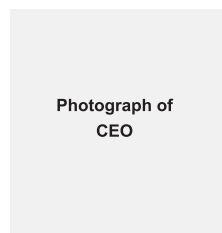
A/C No.: _____ Bank Routing No.: _____

Source of fund: _____ Dividend option: Cash CIP

Name of the CEO: _____

Details of Authorized Person(s), if any:

| Sl. | Name | Designation | Signature |
|-----|---|---|---|
| 1. | <input style="width: 100%;" type="text"/> | <input style="width: 100%;" type="text"/> | <input style="width: 100%;" type="text"/> |
| 2. | <input style="width: 100%;" type="text"/> | <input style="width: 100%;" type="text"/> | <input style="width: 100%;" type="text"/> |



Mode of operation: Jointly by _____ Singly by _____

Documents enclosed:

Trade License
Trust Deed
Registration Certificate
Memorandum and Article of Association

TIN certificate
Certificate of Incorporation
Extract of Board resolution/ Authorization in favour of investment
Letter of authority issued in favour of authorized person(s)

Seal and Signature of the Applicant(s)

TERMS AND CONDITIONS

1. The units of **Midland Bank Balanced Fund**, hereinafter referred to as 'the Fund', may be bought /surrendered through **Midland Bank Asset Management Company Limited (MDBAMC)** and authorized selling agents appointed by **MDBAMC** from time to time. Surrender of units is allowed only through **MDBAMC** or the selling agent from which the units were originally purchased.
2. Application must be made by a corporation or company (either local or foreign), a trust or a society (registered in or outside of Bangladesh).
3. Minimum purchase quantity for institutional investors is 5,000 (five thousand) units.
4. Application for purchase of units should be accompanied by an account payee cheque/pay order/bank draft/online fund transfer in favour of "**Midland Bank Balanced Fund**" for the total value of units.
5. After clearance/encashment of cheque/draft/pay order/online fund transfer, the applicant will be issued with a unit Allocation Confirmation against every purchase with a denomination of number of units he/she/the institutional investor applies for. If BO ID No. is provided during the registration, the units will be delivered to the unit holder's BO ID No. in demat form.
6. Partial surrender (fraction of total units held under a single unit allocation confirmation) is allowed without any additional cost subject to minimum surrender quantity of 5,000 (five thousand) units for institutions. Upon partial surrender, the unit holder will be issued with a new unit allocation confirmation representing the balance of his unit holding.
7. The units may be transferred by way of inheritance/gift and/or by specific operation of the law. In case of transfer, the Fund may charge a nominal fee as decided by **MDBAMC** from time to time except in the case of transfer by way of inheritance.
8. Dividend may be delivered in cash or by way of units under **Cumulative Investment Plan (CIP)** as the applicant gives option in the application form.
9. All payments /receipts in connection with or arising out of transactions in the units hereby applied for shall be in Bangladeshi Taka and through the banking channel.
10. Units may be surrendered on all working days except last working day of the week and during the book closure period of the Fund.

FOR OFFICIAL USE ONLY

Registration No.: _____

Date: _____

No. of Units: _____

Sale No.: _____

Unit Allocation Confirmation No.: _____

Sign and Seal of Issuing Office

We confirm that we have received the unit allocation confirmation mentioned above and also that we have read, understood, and agreed to abide by the terms set out above as may be altered, replaced, and modified from time to time by Midland Bank Asset Management Company Limited.

Seal and Signature of the Applicant(s)

MIDLAND BANK BALANCED FUND

SURRENDER FORM

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

Date: _____

Surrender No.: _____

To
 Chief Executive Officer
 Midland Bank Asset Management Company Limited
 N.B. Tower (Level 14), 40/7, North Avenue,
 Gulshan-2, Dhaka – 1212, Bangladesh.

I/We _____ bearing BO ID No. _____ and having the registration No. _____ is/are the holder(s) of _____ units of **Midland Bank Balanced Fund**.

I/We would like to surrender _____ units at the repurchase price of Tk. _____ per unit, as declared on _____ . My/Our surrender request is summarized below:

| SL No. | Unit Allocation Confirmation No. | Units Held Under This Allocation No. | To be Surrendered | | |
|--------------|----------------------------------|--------------------------------------|-------------------|---------------------------|------------------------------|
| | | | No. of Units | Repurchase Price Tk./Unit | Total Surrender Value in Tk. |
| | | | | | |
| | | | | | |
| | | | | | |
| Total | | | | | |

I/We attach herewith the above mentioned unit allocation confirmation(s). Please issue an account payee cheque in favour of me/us or transfer the fund in my/our bank account for the total surrender amount and issue a unit allocation confirmation for remaining units, if any, at your earliest convenience.

Thank you.

Witnesses

Signature of Unit Holder(s)

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

1. _____

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

2. _____

VERIFICATION (OFFICIAL USE ONLY)

Checked and verified by _____ on _____

TERMS AND CONDITIONS

1. The units of **Midland Bank Balanced Fund**, hereinafter referred to as 'the Fund', may be bought /surrendered through **Midland Bank Asset Management Company Limited (MDBAMC)** and authorized selling agents appointed by **MDBAMC** from time to time. Surrender of units is allowed only through **MDBAMC** or the selling agent from which the units were originally purchased.
2. Units may be surrendered on all working days except last working day of the week and during the book closure period of the Fund.
3. Minimum surrender quantity is 500 (five hundred) units for individual and 5,000 (five thousand) units for institutions.
4. Partial surrender (fraction of total units held under a unit allocation confirmation) is allowed without any additional cost subject to minimum surrender quantity of 500 (five hundred) units for individuals and 5,000 (five thousand) units for institutions. Upon partial surrender, the unit holder will be issued with a new unit allocation confirmation representing the balance of his/her unit holding.
5. Unit holder is required to attach all the unit allocation confirmation he/she/the institution wants to surrender along with Surrender Form.
6. After verification of authenticity of certificate(s), account payee cheque(s) for surrender amount will be issued in favour of unit holder(s) or online fund transfer will be made in favour of the bank account of the unit holder(s) within maximum of seven working days. In case of joint holding, account payee cheque will be issued/transfer will be made in favour of the principal holder.

FOR OFFICIAL USE ONLY

Date of issuance of cheque/ online fund transfer: _____

Surrender amount Tk. _____ (In words: _____) in favour of _____

Issued cheque details (for cheque payment): Cheque No. _____ drawn on _____

Transferee bank details (for online transfer): Bank: _____ A/C No.: _____

Routing No.: _____ Branch: _____ Transaction ID: _____

For remaining units, if any,

Date of issuance of Unit Allocation Confirmation: _____ Sale No. _____

No. of Units (originally issued): _____ No. of Units (before this surrender): _____

Remaining No. of Units: _____ Surrender No. _____

Sign and Seal of Issuing Office

Received cheque and/or online fund transfer as mentioned above.

Name of the official: _____

Date: _____

Signature of Unit Holder(s)

MIDLAND BANK BALANCED FUND

TRANSFER FORM

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

Date _____

Transfer No.: _____

To

Chief Executive Officer
Midland Bank Asset Management Company Limited
N.B. Tower (Level 14), 40/7, North Avenue,
Gulshan-2, Dhaka – 1212, Bangladesh.

I/We _____ bearing BO ID No. _____ having the Registration No. _____, hereinafter referred as **Transferor**, is/are the holder(s) of _____ units of **Midland Bank Balanced Fund**. I/We would like to transfer _____ units having the Allocation Confirmation No. _____ to the following person, hereinafter referred as **Transferee**:

Name: _____
 Father's/Husband's Name: _____
 Mother's Name: _____
 BO ID No.: _____
 Date of Birth: _____ Occupation: _____
 Relationship with Transferor: _____
 Nationality: _____ NID No.: _____
 Address: _____
 Contact No.: _____ Fax No.: _____
 E-mail: _____ Bank: _____
 Branch: _____ A/C No.: _____
 Bank Routing No.: _____ e-TIN No.: _____
 Registration No. (for existing unit holder only) _____
 Dividend option: Cash CIP Means of transfer: Inheritance Gift Operation of law

**Photograph of
Transferee**
(Attested by Transferor)

Witnesses

Signature of Unit Holder(s)/Transferor(s)

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

1. _____

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

2. _____

VERIFICATION (OFFICIAL USE ONLY)

Checked and verified by _____ on _____

TERMS AND CONDITIONS

1. The units of **Midland Bank Balanced Fund** may be transferred by way of inheritance/gift and/or by specific operation of the law. In case of transfer, the Fund may charge a nominal fee as decided by **MDBAMC** from time to time except in the case of transfer by way of inheritance.
2. Transfer of units is allowed only through **MDBAMC** or the selling agent from which the units were originally purchased.
3. The units can be transferred on all working days except the last working day of the week and during the book closure period of the Fund.
4. The total number of units held by a single unit allocation confirmation is required to be transferred at a time.
5. Partial transfer (fraction of total units held under a single unit allocation confirmation) is not allowed. However, the unit holders may split unit allocation confirmation to his/her desired denomination, but not less than 2,000 (two thousand) units per unit allocation confirmation, for the purpose of transfer.
6. The unit allocation confirmation(s) that the unit holder(s) intends to transfer is/are required to be attached with the Transfer Form.
7. After verification of authenticity of unit allocation confirmation(s) as well as the information provided in the transfer form issuing office, **MDBAMC** or any of its authorized selling agent will deliver the unit certificate to the Transferee within a period of maximum seven working days.
8. The conditions applicable for original unit allocation confirmation will apply even after transfer of units in the name of Transferee.

FOR OFFICIAL USE ONLY

Date of Transfer: _____

Transfer No.: _____

Unit Allocation Confirmation No.: _____

No. of Units: _____

Sign and Seal of Issuing Office

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

Date _____

Signature of Transferee

MIDLAND BANK BALANCED FUND

Power of Attorney (POA) Form

Date: _____

Name of Investor _____

Registered Folio No. _____

Investors BO ID No. _____

**Photograph of
Power of Attorney**
(Attested by investor)

Power of Attorney Holder's Details:

Name in full _____

NID No. _____

Residency: Resident Non-resident Nationality _____

Date of birth ____/____/____ Power of Attorney Effective from ____/____/____ to ____/____/____

Passport No. _____ Issue Place _____

Issue Date _____ Expiry Date _____

Power of Attorney Holder's Contact Details:

Address _____

City _____ Post Code _____ Division _____ Country _____

Telephone _____ Mobile _____ Fax _____

Email _____

Power of Attorney Holder's Signature _____

Declaration:

I declare that the particulars given by me are true to the best of my knowledge as on the date of making such application.

Signature of Applicant(s)/Unit Holder(s)

Systematic Investment Plan (SIP)

MIDLAND BANK BALANCED FUND

APPLICATION FORM TO PURCHASE UNITS

(Please read the **TERMS AND CONDITIONS** overleaf; Fill up the Form in Block Letters)

To
Chief Executive Officer
Midland Bank Asset Management Company Limited
N.B. Tower (Level 14), 40/7, North Avenue,
Gulshan-2, Dhaka – 1212, Bangladesh.

Registration No.: _____
Sale No.: _____

I/We wish to enroll for a **Systematic Investment Plan (SIP)** of **Midland Bank Balanced Fund** as per the details below:

SIP installment amount: Tk. _____ (In words: _____)
 SIP periodic interval: Weekly Bi-Weekly Monthly Quarterly Half-Yearly Yearly
 SIP tenure: _____ 1st payment date: _____ Regular payment day of the month: _____
 SIP Payment mode: Bank cheque BEFTN Direct-debit mandate Dividend option: Cash CIP
 1st payment details (if cheque): Bank: _____ Branch: _____ Cheque No.: _____ Cheque Issue date: _____
 1st payment details (if online): Transaction ID: _____ Bank: _____ A/C: _____ Transfer date: _____
 Auto renewal option: Yes No If No, then matured amount will: Remain as invested Be transferred back to the investor

A. Principal Applicant

Registration No. (for existing unit holder only): _____
 Name: _____
 Father's/Husband's Name: _____
 Mother's Name: _____
 Date of Birth: _____ Occupation: _____
 Nationality: _____ NID No.: _____
 Address: _____
 BO ID No.: _____
 Contact No.: _____ E-mail: _____
 Bank: _____ Branch: _____
 A/C No.: _____ Bank Routing No.: _____ e-TIN No.: _____

**Photograph of
Principal Applicant**

B. Joint Applicant

Name: _____
 Father's/Husband's Name: _____
 Mother's Name: _____
 Date of Birth: _____ Occupation: _____
 Nationality: _____ NID No.: _____
 Address: _____
 Contact No.: _____ E-mail: _____

**Photograph of
Joint Applicant**
(Attested by
Principal Applicant)

C. Nominee

Name: _____
 Father's/Husband's Name: _____
 Mother's Name: _____
 Relationship with principal applicant: _____
 Date of Birth: _____ Occupation: _____
 Nationality: _____ NID No.: _____
 Address: _____
 BO ID No.: _____
 Contact No.: _____ E-mail: _____

**Photograph of
Nominee**
(Attested by
Principal Applicant)

Signature: _____

Signature of Applicant(s)

Principal Applicant

Joint Applicant

TERMS AND CONDITIONS

1. The units of **Midland Bank Balanced Fund**, hereinafter referred to as the Fund, may be bought /surrendered through **Midland Bank Asset Management Company Limited (MDBAMC)** and authorized selling agents appointed by **MDBAMC** from time to time. Surrender of units is allowed through **MDBAMC** or the selling agent from which the units are originally purchased.
2. Application must be made by an individual (both resident and non-resident), a corporation or company (both local and foreign), a trust or a society (registered in or outside of Bangladesh) and not by a firm, minor or persons of unsound mind.
3. Joint application by two persons is acceptable. In such a case, registration and issuance of unit allocation confirmation will be in favour of principal applicant while dividend and other benefits, if any, will be addressed to bank account of principal applicant mentioned in the application form. In case of the death of any of the joint holders, only the survivor shall be recognized as having any title to the units. On death of both the joint holders, the title to the units will bestow upon the nominee mentioned in the application form.
4. Minimum investment (**SIP amount**) for individual investors is Tk. 2,000 (taka two thousand only).
5. Application for purchase of units should be accompanied by an account payee cheque/pay order/bank draft/online fund transfer in favour of "**Midland Bank Balanced Fund**" for the total value of units.
6. After clearance/encashment of cheque/draft/pay order the applicant will be issued with a confirmation of unit allocation for every purchase with a denomination of number of units he/she/the institutional investor applies for. If BO ID No. is provided during the registration, the units will also be delivered to the unit holder's BO ID No. in demat form.
7. 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 **MDBAMC** from time to time except in the case of transfer by way of inheritance.
8. Dividend may be delivered in cash or by way of units under **Cumulative Investment Plan (CIP)** as the applicant gives option in the application form.
10. All payments /receipts in connection with or arising out of transactions in the Units hereby applied for shall be in Bangladeshi Taka.
11. Investment through **SIP** is subject to the terms defined in '**SIP Brochure**' at the time of initiating the investment in **Midland Bank Balanced Fund**. **Midland Bank Asset Management Company Limited** reserves the right to change any of the terms as per regulatory requirements.
12. Application must be made by an individual (both resident and non-resident) and not by a minor or persons of unsound mind or any person who is ineligible to enter into a contract.
13. Units may be surrendered on all working days except last working day of the week and during the book closure period of the Fund.

FOR OFFICIAL USE ONLY

Registration No.: _____

Date: _____

Sale No.: _____

No. of Units: _____

Unit Allocation Confirmation No.: _____

Sign and Seal of Issuing Office

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

Signature of the Applicant(s)

Systematic Investment Plan (SIP)

MIDLAND BANK BALANCED FUND

BEFTN DIRECT DEBIT AUTHORIZATION FOR SIP INSTALMENT COLLECTION

(Please read the **TERMS AND CONDITIONS** overleaf; Fill up the Form in Block Letters)

A. Investor's Bank & SIP Details (to be filled by the investor):

Investor's bank account name: _____
 Investor's bank account number: _____
 Bank name: _____
 Branch name: _____ Routing number: _____
 Direct debit amount: Tk. _____ (In words: _____)
 SIP tenure: _____ 1st payment date: _____ Regular payment day of the month: _____
 1st Payment mode: Bank cheque Online fund transfer
 1st payment details (if cheque): Bank: _____ Branch: _____ Cheque No.: _____ Cheque Issue date: _____
 1st payment details (if online): Transaction ID: _____ Bank: _____ A/C: _____ Transfer date: _____
 Direct debit start date (2nd instalment date): _____ Direct debit end date: _____
 Direct debit/SIP interval: Weekly Bi-Weekly Monthly Quarterly Half-Yearly Yearly
 Contact No: _____ Email: _____ Date of Application: _____

B. Collection Bank Details (to be filled by MDBAMC):

Collection bank name: _____
 Branch name: _____ Routing number: _____
 Collection bank account name: _____ Collection bank account number: _____

I/we, maintaining an account with the above-mentioned bank, hereby would like to inform you that I/we have authorized **Midland Bank Balanced Fund** (as mentioned above) to debit my/our account through BEFTN not exceeding the above-mentioned amount. The BEFTN debit transaction will be initiated by the designated Collection Bank at the instruction of **Midland Bank Balanced Fund** managed by **Midland Bank Asset Management Company Limited**. The account shall be debited at the interval as stated above and the instruction shall be valid from the direct debit start date to direct debit end date as mentioned above. This is for your kind information and support in this regard.

I have read and understood the "Terms and Conditions for Payment through BEFTN Direct-Debit Facility" (as mentioned in the opposite page) which may be altered, modified and replaced from time to time by **MDBAMC** as per regulatory requirements.

Signature of Applicant(s)

Principal Applicant
Joint Applicant
Date of Application

C. Applicant's Bank Details (to be filled by Applicant's Bank):

Bank name: _____
 Branch name: _____ Routing number: _____
 Branch telephone/contact number: _____ Branch email address: _____

I/We confirm that the Account Holder(s) is/are maintaining the above-mentioned account with our Bank and also confirm that the information provided by the above-mentioned applicant(s) is correct and signature(s) of the account holder(s) is/are matched.

Bank Seal
Signature of Authorized Bank Official

Name of the authorized person of the bank: _____
 Contact No: _____ Date of the authorization: _____

TERMS AND CONDITIONS FOR PAYMENT THROUGH BEFTN DIRECT-DEBIT FACILITY

Transaction under this Authorization will be subject to the BEFTN operating rules of Bangladesh Bank. All the BEFTN guidelines from Bangladesh will be imposed on executing the above instruction, as applicable from time to time. **MDBAMC** contains all the rights to change/modify/amend the following terms and conditions. The guidelines of Bangladesh Bank BEFTN shall govern with the following terms and conditions:

1. BEFTN Debit Facility for Installment payment can be availed after the **SIP** is accepted and is in force. Payments other than Installment or arrears of Installment (due on the previous month) should be paid via cheque/bank draft/pay order/online transfer; it cannot be paid through BEFTN debit.
2. This Authorization Form must reach **MDBAMC** at least 10 (ten) working days before the date on which it is to be activated. If the payment instruction date falls on weekend or a public holiday, the same may be effective on the immediate next working day.
3. This instruction shall stay fully in force and result till otherwise suggested in writing by the accountholder and such endorsement should be communicated to and received by a minimum of 10 (ten) working days before next installment payment is due. Any such amendment/cancellation will not release the investor from liability to the Bank arising on account of the bank having executed the instruction before receipt of such amendments/cancellation.
4. Investor should ensure that sufficient funds are available in the bank account at the time of debit date and this authorization is not dishonored. Sometimes it is possible that due to some technical or other reason, **SIP** installment is not debited on the debit date and is delayed for few days. Please ensure the availability of fund for at least 5 (five) working days after debit date to avoid any dishonors. **Midland Bank Balanced Fund** will not be responsible for any dishonors raised by the bank and any dispute regarding same should be taken up with the bank only.
5. In case this Authorization is dishonored by the bank, installment for the due date(s) of the dishonored BEFTN debit for the previous month has to be paid in Cheque/Pay Order/Demand Draft/Online Fund Transfer by the investor. Any issue regarding dishonor of his authorization is to be taken up with the bank only.
6. Any queries, questions, comments etc. with regards to **Midland Bank Balanced Fund** and payment amount will have to be raised to **Midland Bank Balanced Fund** and payments to the bank with regard to the settlement of amounts paid in this regard are committed and not deferrable for any reason whatsoever. The transaction appearing on the account statement will be the proof of payment.
7. Under this instruction, the investor cannot dispute regarding the payment to **Midland Bank Balanced Fund** debited from his/her bank account. If any excess or less than the correct amount is debited, the investor will have to contact **MDBAMC** for clarification. Any type of refund from **Midland Bank Balanced Fund** on account of this instruction will be settled by **Midland Bank Balanced Fund** to its investor.
8. No **SIP** installment receipt will be issued by **Midland Bank Balanced Fund** for BEFTN debit payments. An annual statement or certificate of **SIP** payments, (as applicable), may be obtained from **MDBAMC** upon written request of the investor.

Signature of Applicant(s)

Principal Applicant

Joint Applicant

Date of Application



Midland Bank Asset Management Company Limited



N.B Tower (Level 14)

40/7, North Avenue, Gulshan 2, Dhaka 1212,
Bangladesh.



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