

**INVESTMENT MANAGEMENT AGREEMENT  
MERCANTILE BANK UNIT FUND**

(A Mutual Fund within the meaning of বাংলাদেশ সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১)  
THIS DEED OF INVESTMENT MANAGEMENT (hereinafter referred to as "Agreement") is made at Dhaka on this the ..... of the Christian era 2021.

**BETWEEN**

Mercantile Bank Limited, a leading Private Commercial Bank incorporated under Companies Act, 1994 on May 20, 1999 subsequently it commenced business on June 02, 1999, having its registered office at 61, Dilkusha Commercial area, Dhaka-1000, Bangladesh represented by its Managing Director and CEO, **Md. Quamrul Islam Chowdhury**, N.ID No.1593524485069 hereinafter referred to as the "Sponsor" (which expression shall, unless it be repugnant to the context or meaning thereof, include its representatives, successors in interest and assigns) of the FIRST PART.

**AND**

MBL Asset Management Limited, an Asset Management Company incorporated under Companies Act, 1994 and registered with the BSEC on January 30, 2020 under Section 28 of the Bangladesh Securities and Exchanges Commission (Mutual Fund) Rules, 2001 (বাংলাদেশ সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১), having its registered office at 61, Dilkusha Commercial Area, Dhaka-1000, Bangladesh, represented by its Chief Executive Officer **Mr. Mohammad Samir Uddin**, CFA, NID No. 1210481256977 hereinafter referred to as the "Asset Manager" (which expression shall, unless it be repugnant to the context or meaning thereof, include its representatives, corporate successors in interest and assigns) of the SECOND PART.

**Recitals**

- A. WHEREAS, The Sponsor is a reputed institution having adequate skills in their concerned field of activities and office and is also the sponsor (within the meaning section ২(ঢ) of the বাংলাদেশ সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১) of a mutual fund (within the meaning of section ২(ত) of the বাংলাদেশ সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১) named "**Mercantile Bank Unit Fund**" (hereinafter referred to as "Mutual Fund") in connection to which **ICB Capital Management Limited** has been appointed as a trustee (within the meaning of section ২(জ) of the বাংলাদেশ সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১) by virtue of a Trust Deed dated ....., 2021; And
- B. WHEREAS, the Asset Manager has required qualification, resources, capabilities, qualifications and adequate skills in its concerned fields of activities and is legally empowered to be appointed as Asset Manager (within the meaning of the section of the বাংলাদেশ সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১) of the mutual fund; And
- C. NOW THEREFORE, pursuant to a mutual agreement between the Parties, the Sponsor has agreed to appoint the Asset Manager as the Asset Manager of the Mutual Fund for the benefit of the investors and the development of capital market of Bangladesh in consideration of mutual covenants and arrangement hereinafter set forth hereunder in this Agreement.

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Now this Deed of Agreement states as follows:

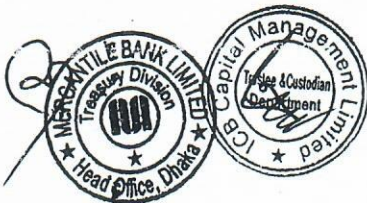
- 1) Subject to the approval of Bangladesh Securities and Exchanges Commission, the Sponsor hereby appoints **MBL Asset Management Limited** as the Asset Manager of the Mutual Fund and the Asset Manager shall manage the schemes of the Mutual Fund and manage the fund as per the Trust Deed and the বিধিমালা.
- 2) The Asset Manager is prohibited to undertake any activities without prior approval of the Trustee and the Commission excepting determination of size, objective and nature of the schemes, preparation of prospectus and acquiring consent of the Commission, issuance of unit certificates of the schemes, formation and management of investment portfolio, calculation of NAV, preparation, submission and dissemination of financial and other statements besides the duties and responsibilities mentioned in Rule 33 of the Bangladesh Securities and Exchange Commission (Mutual Fund) বিধিমালা, 2001.
- 3) The Asset Manager shall be responsible for the management of the Fund and its schemes with due approval from Bangladesh Securities and Exchange Commission (hereinafter referred to as the "BSEC" or Commission) and in accordance with the provisions of the Fund and as per the বিধিমালা.
- 4) The Asset Manager shall not acquire any asset for the Mutual Fund out of the Trust property, which involves the assumption of any liability that is unlimited or shall result in encumbrance of the Trust property in any way.
- 5) The Asset Manager shall not extend any term loan/credit facilities and/or guarantee the repayment of the same, for any purpose or undertake any activity which violates any one or more provisions of the বিধিমালা.
- 6) Any loss or damage or expenses resulting from negligence by the Asset Manager or any of its officers or any person delegated by it, shall not be met out of the Trust property.
- 7) The Asset Manager shall ensure that no application form, or sales literature or other printed matter issued to prospective buyers, or advertisement, or report and or announcement (other than an announcement of price or yields) addressed to the general body of unit holders, or to the public, or to the press or other communication media, is issued or published with contents and statement or matter extraneous to the Trust Deed or Prospectus or Offer Document of any scheme approved by the Commission or the Trustee, as the case may be without prior approval of the Trustee and the Commission.
- 8) The Asset Manager will inform the investors the re-purchase price and net asset value and the process of their determination as per time schedule determined by the Trustee and the Commission.
- 9) The Asset Manager shall provide information as per the requirement of the trustee, so that it is revealed that the affairs of the various Schemes of the Mutual Fund are being conducted as per the provision of the Trust Deed and the বিধিমালা.



- 10) The Asset Manager shall submit report on the activities of the various Schemes of the Mutual Fund quarterly or at such other intervals as per the বিধিমালা, to the Trustee and the Commission.
- 11) The Trustee of the Mutual Fund have the power to initiate the process of annulment of the appointment of the Asset Manager under specific events of breach of Trust and Investment Management Agreement and/or provisions of the বিধিমালা only, with the approval of the Commission, in accordance with the provisions of the বিধিমালা.
- 12) The Asset Manager shall design, structure, seek registration and custodial arrangements and publicly float and manage the scheme of the Mutual Fund approved by the Trustee, in terms of the Trust Deed as per the provisions of the বাংলাদেশ সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ and (hereinafter referred to as the 'বিধিমালা')
- 13) The Asset Manager shall make initial subscription offer and subsequent offering of the open-end scheme of the Mutual Fund in the Bangladesh Capital Market, upon approval from the Regulatory Authority under the applicable Law.
- 14) The Asset Manager shall take all required steps and exercise all due diligence and ensure that the investment of the scheme of the Mutual Fund is not contrary to the provisions of the Trust Deed and the বিধিমালা.
- 15) The Asset Manager shall not undertake any business that may adversely affect the interest of the Mutual Fund.
- 16) The Mutual Fund shall follow a general formula for computing the Net Asset Value as per the বিধিমালা and as approved by the Trustee and the Commission and shall disclose in the Prospectus or Information Memorandum of the Scheme and it shall be adequately published as per the provisions of the বিধিমালা, ২০০১.
- 17) For listed securities, the average quoted market price on the stock exchanges on the date of valuation ("Valuation Date") shall be the basis of any calculation of Net Asset Value of such securities in the portfolio of the Mutual Fund.
- 18) When the securities were not traded either at DSE or CSE or any other recognized exchange on the particular Valuation Date, the most recent average price of the concerned security (which is recorded within the preceding 30 (Thirty) working days from the Valuation Date) will be taken into account.
- 19) When the securities were not traded either at DSE or CSE or any other recognized exchange for a period of 30 preceding days from the Valuation Date, the Fund shall follow the method approved by the Commission for valuation of the non-traded investment, and the Trustee shall periodically review the value of such investments.
- 20) The valuation of non-traded securities will be made with their reasonable value by Asset Manager and approved by the Trustee and commented upon by the Auditors in the Annual Report of the Mutual Fund but shall not be more than the intrinsic value of the securities.



- 21) The valuation of non-listed securities will be made by the Asset Manager with their reasonable value and approved by the Trustee and commented upon by the Auditors in the Annual Report of the Fund.
- 22) Once non-listed securities are valued, the valued amount will be considered for purpose of valuing the Mutual Fund's assets in any interval of time until the securities are further revalued by the Asset Manager.
- 23) Asset Manager and Trustee will value the non-listed securities once in at least after every three months.
- 24) In consideration for the services rendered to the Mutual Fund under this Agreement, the Asset Manager shall be entitled to annual management fee which shall be equivalent to the maximum fee payable under Regulation of the বাংলাদেশ সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.
- 25) The annual management fee, to be calculated in accordance with the foregoing paragraph shall be payable on a half-yearly basis on the days falling June 30<sup>th</sup> and December 31<sup>st</sup> of each year and the same shall be payable no later than 30 days after the above mentioned date, giving adequate time for completion of Trustee appointed audit.
- 26) As per the বিধিমালা the initial issue expenses in respect of the scheme shall not exceed five percent of the collected amount of the fund raised under the scheme or any ceiling as determined by the commission and The Asset Manager shall furnish a detailed breakdown of cost in the prospectus.
- 27) The total expenses charged to the Fund, except the amortization of initial issue expenses including transaction cost in the form of stock brokerage against buy and sale of securities forming a part of acquisition or disposal cost of such securities, transaction fees payable to the Custodian against acquisition or disposal of securities, CDBL Charges, the annual registration fees payable to the Commission, audit fees, cost for publication of reports & periodicals, bank charge, etc, shall not exceed four per cent of the weekly average net assets outstanding during any accounting year as per the বিধিমালা.
- 28) The Trustee shall cause to make such disclosures by the Asset Manager to the investors as are essential in order to keep them informed about any information, which may have an adverse bearing on their investments.
- 29) The Trustee shall have the right to call for any books of accounts, records, documents and such other information as considered necessary from the Asset Manager as is relevant to the management of the affairs of the various Schemes of the Mutual Fund.
- 30) Any change in the appointment of the Asset Manager of the Mutual Fund as well as its management shall be subject to prior approval of Bangladesh Securities and Exchange Commission.



- 31) Relevant provisions of the বিধিমালা in general and Schedule III of the বিধিমালা in particular shall apply for the interpretation of this Agreement and in case of any controversy as to the meaning and spirit, the decision by the Commission shall be conclusive.
- 32) If any confusion arises any time about explanation of any clause of this Agreement, the Bangladesh Securities and Exchange Commission (Mutual Fund) বিধিমালা, ২০০১ will be conclusive for this agreement and all other documents executed in connection of this Mutual Fund and provisions of this agreement will be treated to be changed in accordance with any change or amendment of the Bangladesh Securities and Exchange Commission (Mutual Fund) বিধিমালা, ২০০১.
- 33) Notwithstanding anything stated to the contrary elsewhere in this Agreement, both parties irrevocably acknowledge and affirm that a copy of this Agreement will be delivered to the Commission in compliance with regulation ৩১(১) of the বাংলাদেশ সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.
- 34) Notwithstanding anything stated to the contrary elsewhere in this Agreement, both parties irrevocably and unconditionally acknowledge and affirm that the terms and conditions stipulated in Schedule – III of the বাংলাদেশ সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ shall constitute an integral part and parcel of this Agreement and that in the event of any discrepancy or contradiction the terms of Schedule – III of the বিধিমালা, ২০০১ will prevail without any limitation whatsoever.

**IN WITNESS WHEREOF the Sponsor and the Asset Manager have caused their common seals to be affixed to these presents and have here to set their hands the day and year above written.**

Authorized Seal & Signature of Sponsor

Authorized Seal & Signature of Asset Manager

**Managing Director & CEO**  
Mercantile Bank Limited

**Chief Executive Officer**  
MBL Asset Management Limited

WITNESS:

1. 2.

