

NABIL BALANCED FUND I

The above Scheme approved by Securities Board of Nepal (SEBON) has the following features:

1. General Features

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|---------------------------------|--|
| Nature of the Scheme | Close End Balanced Scheme Fund |
| Fund Name | Nabil Mutual Fund |
| Scheme Name | Nabil Balanced Fund - I |
| Investment Objective | To generate balanced returns by investing in a mix of securities comprising of equity, equity related instruments & fixed income instruments as allowed by prevailing rules/regulations on mutual fund. |
| Corpus | NRs. 600 Million (Mio). Corpus amount may reach a maximum upto NRs.750 Million (25% more) if oversubscribed as allowed by prevailing regulation on mutual fund |
| NFO Price per Unit | NRs. 10 |
| NFO Unit | 60,000,000 units |
| Minimum Unit to Hold | 100 units |
| Maximum Unit to Hold | 6,000,000 Units |
| Maturity | 5 Years from the date of allotment of units (the assets under the scheme post 5 years will be redeemed and the realized cash will be distributed in proportion to investments as per prevailing regulations) |
| Allotment of Units | As per Securities Allotment Directive, 2068 |
| Dividend Payout Strategy | Dividend will be paid out of net profits in proportion to investments made, retained earnings, if any, will be re-invested |
| Fund Supervisors Fees | NRs.1,500,000 per annum for cash returns upto 10% on initial investment in a year or 0.5% of Net Assets Value (NAV) if cash returns on initial investment in a year exceeds 10% |
| Fund Management Fees | 1.5% of NAV for cash returns upto 10% on initial investment in a year or 2% of NAV if cash returns on initial investment in a year exceeds 10% |
| Depository Fees | 0.5% of NAV |

2. Sponsor

Nabil Bank has registered "Nabil Mutual Fund" with SEBON and is the Sponsor of the said Fund.

3. Fund Manager & Depository

Nabil Investment Banking Ltd. (Nabil Invest), a subsidiary of Nabil Bank has obtained licenses of Fund Manager & Depository in a mutual fund from SEBON and will be rendering the said services to the schemes of Nabil Mutual Fund.

4. Fund Supervisors

Nabil Bank as the Sponsor of Nabil Mutual Fund has appointed the following prominent professionals as the Fund Supervisors of the Fund based on approval from SEBON.

| S.N. | Names | Experience |
|------|----------------------------|--|
| 1 | Prof. Pawan Kumar Ojha | Former Attorney General, More than 38 years of experience in legal profession & working as a Senior Advocate |
| 2 | Prof. Dr. Bijay Kumar K.C. | Academician, More than 40 years of teaching & research experience |
| 3 | CA Pushpa Lall Shrestha | More than 40 years of professional experience |
| 4 | Dr. Ramesh Kumar Bhattarai | Former Administrator (CEO) – Employees Provident Fund (EPF), More than 28 years of association with EPF & more than 10 years of experience as the Director of Commercial Banks |
| 5 | Mr. Binod Babu Kafle | Former Director, SEBON, More than 30 years of experience in Civil Service |

5. Assets Allocation

The Scheme will invest in a combination of or in all the following instruments as stipulated by Rule 34 of prevailing Mutual Fund Regulation:

- a. Securities registered with SEBON
- b. Securities called for public offering
- c. Securities listed in Stock Exchange
- d. Debentures, Treasury Bills and other instruments of money market issued by Government of Nepal or Government Agencies receiving full guarantee or protection of Government of Nepal or NRB
- e. Bank deposits
- f. Money Market instruments
- g. Other areas prescribed by the SEBON

6. Investment Pattern & Strategy

The Fund Manager is likely to make its investment, remaining within the parameter of assets allocation of the scheme, in equity & equity related instruments and debt securities including money market instruments by gauging the macro-economic situation and the risk & return parameters. For equity, the Fund Manager will use both fundamental and technical analysis to choose the desired securities, which will further be divided into strategic/long term holding and tactical/short term holding.

7. Fees and Expenses

The fees & expenses to be borne by the Scheme will be in line with the provisions stipulated in the Offer Document approved by SEBON.

8. Accounts and Information

The Fund's financial year-end will follow the Nepali Calendar or as advised by SEBON. NAV per unit shall be published on regular basis as stipulated by prevailing regulations.

9. Performance Indicator of the Scheme (Projected)

| | Yr 1 | Yr 2 | Yr 3 | Yr 4 | Yr 5 |
|---------------------------------|-------|-------|--------|--------|-------|
| NAV per Unit | 10.48 | 11.27 | 12.19 | 13.43 | 16.15 |
| Proposed Dividend Payout | 7.00% | 9.00% | 10.00% | 11.00% | * |
| Return on Investment | 12% | 17% | 18% | 21% | 20% |

* As the Scheme matures on fifth year, the payout is disclosed in the Returns on Investment section of the said year.

10. Rights of Unit holders

The unit holders shall have rights as provided in the prevailing rules/regulations. However, the voting rights on investment made by the fund will be rested on Nabil Invest as the Fund Manager which shall act for the benefit of the Scheme.

11. Risks Associated

Mutual Funds investments are generally subject to market risks.

12. Liquidity

Units will be listed in NEPSE.

13. Provision of Seed Capital

Nabil Bank as the Sponsor will invest a minimum of fourteen percent of the total value of the Scheme i.e. NRs. 84 Mio to NRs. 105 Mio (For Scheme of NRs. 600 Mio to NRs. 750 Mio) & Nabil Investment Banking Ltd. as the Fund Manager will invest one percent of the total value of the Scheme i.e. NRs. 6 Mio to a maximum of NRs. 7.5 Mio (For Scheme of NRs. 600 Mio to NRs. 750 Mio) as seed capital in this Scheme