

NAMAL Acuity Value Fund

[A closed-ended Unit Trust registered under the laws of Sri Lanka by National Asset Management Limited]

Initial Public Offering of 10,000,000 Units at a price of LKR 50.00 per Unit

Offer for Subscription of 10,000,000 Units of NAMAL Acuity Value Fund (the **“Fund”**, or the **“Unit Trust”**), offered to the public in Sri Lanka (the **“Offering”**) at an Offer Price of LKR 50.00 each (the **“Offer Price”**).

National Asset Management Limited (the **“Fund Manager”**, the **“Managing Company”** or **“NAMAL”**) may at its discretion increase the number of Units of the Fund offered to the public, pursuant to this Offer for Subscription, by up to an additional 10,000,000 Units at the Offer Price of LKR 50.00 each, in the event of an over-subscription (the **“Over-Subscription Option”**).

Application has been made to the Colombo Stock Exchange (the **“Colombo Stock Exchange”**) for permission to deal in and list 20,000,000 Units (in the event the Over-Subscription Option is exercised in full). Upon the completion of this Offering, the Units of the Fund will be listed on the Colombo Stock Exchange.

If you are in any doubt regarding the contents of this Explanatory Memorandum you should consult your stockbroker, bank manager, accountant, lawyer or any other professional adviser

Fund Manager



**National Asset Management Limited
(NAMAL)**

Sponsor & Placement Agent



Acuity Partners (Private) Limited

The date of this Explanatory Memorandum is 07 September 2009

IMPORTANT INFORMATION

NAMAL Acuity Value Fund is licensed by the Securities & Exchange Commission of Sri Lanka qualified as a closed-ended Unit Trust as defined in the Securities & Exchange Commission Act No 36 of 1987 as amended from time to time or any other statutory modifications thereof.

Units of **NAMAL Acuity Value Fund** are offered solely on the basis of information contained in this Explanatory Memorandum and the documents referred to herein. Any information or representation (not contained herein) given or made by a dealer, salesman or other person should be regarded as unauthorized and accordingly not be relied upon.

This Explanatory Memorandum is furnished to investors primarily in Sri Lanka so that they may consider the opportunity to purchase the Units of the Fund. This Explanatory Memorandum is the lawful property of the Managing Company and may not be copied in whole or in part without the prior written consent of the Managing Company.

It should be noted that circulation and distribution of this Explanatory Memorandum in certain countries is restricted by law. Persons into whose possession this Explanatory Memorandum comes are required by the Managing Company and the Sponsor & Placement Agent to inform themselves about and to observe any such restrictions.

This Explanatory Memorandum does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation and may only be used in connection with this offering of securities, to which it relates, by distributors as contemplated herein.

The Units being offered may not be purchased or held by, or purchased or held for the benefit of, any Non-Qualified Person (as defined hereinafter) at any time. **“Non Qualified Person”** means any person to whom a transfer to or holding by such person of Units would:

1. be in breach of any law or requirement of any country or governmental authority in any jurisdiction whether on its own or in conjunction with any other relevant circumstances;
2. result in the Managing Company or the Fund incurring any liability to taxation which the Managing Company or the Fund would not otherwise have incurred or suffered; or
3. cause the Managing Company or the Fund to be required to apply for registration or comply with any registration requirements in respect of any of the Units, other than the applicable securities regulations and laws of Sri Lanka.

This Explanatory Memorandum is based on the law and practice currently in force in Sri Lanka and is subject to change therein.

The Trustees hereby declare and certify that they have read and agreed with the representation therein.

The Directors of National Asset Management Limited accept full responsibility for the accuracy and the information given herein, and confirm having made all reasonable inquiries, that to the best of their knowledge and belief there are no other material facts the omission of which would make any statements herein misleading.

The Sponsor & Placement Agent and the Legal Counsel to the Managing Company in assisting with the preparation of this Explanatory Memorandum, have relied on information supplied by the Managing Company, have not independently verified the accuracy or completeness of any information contained herein, make no representation or warranty with respect thereto and assume no liability for the contents of, or any omissions from, this Explanatory Memorandum.

Investing in the Fund involves a degree of risk normally associated with any investment in equities or fixed income securities and the price of Units and the income, if any, from them may fall as well as rise due to market fluctuations. The Fund is a closed-ended collective investment scheme designed for investors seeking capital appreciation on their investment. Investors should be able to bear the economic risks of their investments in the Fund, including all or part thereof, and should not be dependent upon any returns from such investments for any basic financial needs.

The contents of this Explanatory Memorandum should not be construed as investment, legal or tax advice. Each potential investor must seek independent investment, legal and tax advice with respect to the implications of investing in the Fund.

All information in this Explanatory Memorandum is given as of the date hereof, unless expressly otherwise specified herein.

DECLARATION BY THE MANAGING COMPANY

An application has been made to the Colombo Stock Exchange for permission to deal in and for a listing for all Units of the Fund. Such permission will be granted when the Units of the Fund are listed on the Colombo Stock Exchange. The Colombo Stock Exchange assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports included in this Explanatory Memorandum. Listing on the Colombo Stock Exchange is not to be taken as an indication of the merits of the Managing Company or the Units of the Fund issued.

Sgd
Harold Avancka Herat
Director

Sgd
Tyrone Wilfrid De Silva
Director

TABLE OF CONTENTS

	Page
FUND INFORMATION	1
DEFINITIONS & GLOSSARY	2
PRESENTATION OF CERTAIN INFORMATION	6
FORWARD LOOKING STATEMENTS	6
THE FUND	8
MANAGEMENT & PROFESSIONAL SERVICES	18
THE OFFERING	24
DETERMINATION OF NET ASSET VALUE	27
DISTRIBUTIONS	29
REDEMPTION OF UNITS ON LIQUIDATION OF THE FUND	30
FEES, TRADING COSTS & EXPENSES	31
RISK FACTORS	33
GENERAL INFORMATION	36
DECLARATION BY THE TRUSTEES & MANAGING COMPANY	37
ANNEXURE I - PROCEDURE FOR APPLICATION	38
ANNEXURE II – COLLECTION POINTS	42

FUND INFORMATION

Sponsor & Placement Agent	Acuity Partners (Private) Limited 53, Dharmapala Mawatha, Colombo 03, Sri Lanka T: +94 11 2206206 F: +94 11 2437149
Fund Manager, Managing Company & Registrar	National Asset Management Limited (NAMAL) 73, W. A. D. Ramanayake Mawatha, Colombo 02, Sri Lanka T: +94 11 2445911 F: +94 11 2445903
Trustee & Custodian	Deutsche Bank AG 86, Galle Road, Colombo 03, Sri Lanka T: +94 11 4791114
Auditors	Ernst & Young 201, De Saram Place, Colombo 10, Sri Lanka T: +94 11 2463500
Bankers to the Fund	Deutsche Bank AG 86, Galle Road, Colombo 03, Sri Lanka T: +94 11 4791114
Bankers to the Offering	Hatton National Bank PLC 479, T. B. Jayah Mawatha Colombo 10, Sri Lanka T: +94 11 2662772 DFCC Vardhana Bank Limited 73, W. A. D. Ramanayake Mawatha, Colombo 02, Sri Lanka T: +94 11 2371371
Lawyers	FJ & G de Saram Attorneys-at-Law & Notaries Public 216, De Saram Place, Colombo 03, Sri Lanka T: +94 11 4718200
Tax Advisors	Amarasekera & Co Chartered Accountants 12, Rotunda Gardens, Colombo 03, Sri Lanka T: +94 11 2327595

DEFINITIONS & GLOSSARY

The following definitions and terms apply throughout this Explanatory Memorandum unless the context otherwise requires:

Abbreviations and Definitions used in the Explanatory Memorandum

"Application Form" or "Application"	the application form that constitutes a part of this Explanatory Memorandum on which the investors may apply for Units of the Fund
"ASPI"	the All Share Price Index of the CSE
"Board" or "Board of Directors"	the Board of Directors of the Managing Company from time to time
"BOI"	Board of Investment
"CAGR"	compounded annual growth rate
"CDS"	Central Depository Systems (Private) Limited
"Central Bank" or "CBSL"	Central Bank of Sri Lanka
"Closed-ended Unit Trust"	a Unit Trust which after the initial Offer Period does not unless otherwise approved by the SEC issue new units or redeem units in issue, until the liquidation of such fund
"Closing Date"	the date of closing of the subscription list pursuant to the Offer Period, being 06 October 2009, or in the event of an over-subscription, the date on which the Offering is fully subscribed
"CSE"	Colombo Stock Exchange
"Companies Act"	the Companies Act No 07 of 2007
"Date of Allotment" or "Allotment Date"	the date on which the Units are created and allotted to Investors and which date shall be within a period of 07 Market days from the Closing Date of the Offering
"Deposited Property"	the amount subscribed to the Fund and accepted for allotment of Units by the Managing Company which shall initially be constituted out of the proceeds of the Offering of Units at the Offer Price (inclusive of the Front-End Fee), which shall be subject to the deduction of the Front-End Fee be entrusted to the Trustee & Custodian to form the Deposited Property as may be further defined by the Unit Trust Code
"Directors"	the Directors of the Managing Company from time to time

“Distributions”	a pro-rata cash distribution(s) to Investors of all such cash assigned for distribution as described in the section titled “Distributions”
“Explanatory Memorandum”	this Explanatory Memorandum dated 07 September 2009 issued by National Asset Management Limited (NAMAL)
“Financial Year”	a period of 12 months ending March 31 of each year
“Front-End Fee”	the portion of proceeds from the initial Deposited Property, paid to the Managing Company as a fee. The Front-End Fee in this case is 2.50% and for every allotted Unit at the Offer Price of LKR 50.00, LKR 1.25 will be charged as a Front-End Fee and paid out of the initial Deposited Property
“the Fund” or “the Unit Trust”	NAMAL Acuity Value Fund, a closed-ended Unit Trust established as a contractual arrangement between the Managing Company and the Trustee acting on behalf of the Investors, licensed and regulated by the SEC and managed by National Asset Management Limited
“Fund Assets”	all the assets of the Fund, including investments made and monies awaiting investment
“Fund Term”	the period ending on the Redemption Date, which shall be a period of 10 years from the Date of Allotment of the Units
“GDP”	Gross Domestic Product
“Government”	the Government of Sri Lanka
“Invested Capital”	the initial Deposited Property, less the Front-End Fee
“Fund Manager” or “Managing Company”	National Asset Management Limited (“NAMAL”), a fund Managing Company licensed by the SEC to operate Unit Trusts in Sri Lanka
“LKR” or “rupees” or “Sri Lanka rupees”	Sri Lankan Rupees, the legal currency of Sri Lanka
“Market Day”	any day on which the Colombo Stock Exchange is open for trading
“Minimum Subscription”	the minimum subscription in the Fund is LKR 10,000.00 being the equivalent of 200 Units at the Offer Price of LKR 50.00 each and thereafter in multiples of LKR 10,000.00 (200 Units) during the Offer Period
“MPI”	Milanka Price Index of the CSE
“Net Asset Value” or “NAV”	the Net Asset Value of the Fund as described in the section titled “Determination of Net Asset Value”

“Offered Units”	the 10,000,000 Units (20,000,000 Units if the Over-Subscription Option is exercised in full), offered to the public at the Offer Price pursuant to this Explanatory Memorandum
“Offer for Subscription”	an invitation to the public by the Managing Company to subscribe for the Units of the Fund as set forth under “The Offering”
“Offering”	the Offer for Subscription of up to 10,000,000 Units of the Fund at the Offer Price, with an Over-Subscription Option for up to an additional 10,000,000 Units at the Offer Price, under the provisions of this Explanatory Memorandum
“Offering Period”	16 September 2009 to 06 October 2009
“Offer Price”	the Offer Price is LKR 50.00 per Unit as outlined in “The Offering”
“Other Local Investors”	investors eligible for participation in the Offering as per the “The Offering” other than those who are classified as Qualified Local Financial Institutions, Qualified Local Institutional Investors or Foreign Investors
“Over-Subscription Option”	the Managing Company may at its discretion increase the number of Units of the Fund offered to the public, pursuant to the Offer for Subscription, by up to an additional 10,000,000 Units at the Offer Price, in the event of an over-subscription
“p.a.”	per annum
“POA”	Power of Attorney
“Qualified Local Financial Institutions”	licensed commercial banks, development financial institutions and licensed specialized banks registered under the laws of Sri Lanka
“Qualified Local Institutional Investors”	unit trusts, recognized employee benefit schemes, recognized investment companies and insurance companies registered under the laws of Sri Lanka
“Quarter”	a period of three months ending on the last day of March, June, September and December of each year
“Redemption Date”	the date of liquidation of the Fund which shall be the tenth anniversary of the Date of Allotment of the Units
“SEC”	Securities & Exchange Commission of Sri Lanka
“SEC Act”	Securities & Exchange Commission of Sri Lanka Act No. 36 of 1987 as amended

“SIERA”	Share Investment External Rupee Account
“Sponsor & Placement Agent” or “Acuity Partners”	Acuity Partners (Private) Limited, a joint venture investment banking company in Sri Lanka equally owned by DFCC Bank and Hatton National Bank PLC
“Trustee”	Deutsche Bank AG, Colombo Branch, or any successor appointed by the Managing Company with the approval of the SEC
“Trust Deed”	the Trust Deed dated 03 September 2009 entered into between Deutsche Bank AG, Colombo Branch and the Managing Company, in connection with the Fund
“Unit Holders” or “Investors”	Holders of Units in the Fund
“Units”	Units of the Fund, to be issued and defined as per the Trust Deed dated 03 September 2009, with rights as outlined in the said Trust Deed, including the right to participate in any distribution of income that may be declared after the date of allotment of such Units
“Unit Trust Code”	Unit Trust Code of 2004 issued by the SEC
“Valuation Day”	the last business day of each month, and where any such day is not a Market Day, the Valuation Day is the immediate preceding Market Day

PRESENTATION OF CERTAIN INFORMATION

CURRENCY INFORMATION

References to “**Sri Lanka Rupees**”, “**LKR**”, “**Rupees**” or “**Rs**” are to Sri Lanka currency. The references to “**USD**” are to the currency of the United States of America.

INDUSTRY AND MARKET DATA

Economic and industry data used throughout this Explanatory Memorandum are derived from the Central Bank of Sri Lanka, Colombo Stock Exchange and various other industry and market data sources, which the Managing Company believes to be reliable. Industry/market publications generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. The Managing Company has not independently verified such data.

OTHER DATA

Certain numerical figures included in this Explanatory Memorandum have been subject to rounding adjustments; accordingly, numerical figures shown as totals in certain tables may not be arithmetic aggregation of the figures which precede them.

FORWARD LOOKING STATEMENTS

All statements made in this Explanatory Memorandum, statements made in press releases and oral statements that may be made by the Managing Company or the Managing Company’s officers, Directors, employees, the Placement Agent or other agents acting on the Managing Company’s behalf that are not statements of historical fact constitute “forward-looking statements”. You can identify some of these forward-looking statements by terms such as “expects”, “believes”, “plans”, “intends”, “estimates”, “anticipates”, “may”, “will”, “would” and “could” or similar words. All statements regarding the Managing Company’s outlook on economic and market conditions and the resulting investment prospects for the Fund are forward-looking statements. These forward-looking statements, including statements as to:

- the future results, performance or achievements of the Fund;
- the expected growth or performance of the Sri Lankan listed equities market;
- the expected growth in revenues, profitability and market capitalization of publicly listed companies in Sri Lanka;
- the expected growth or performance of government and corporate fixed income securities markets in Sri Lanka;
- other matters discussed in this Explanatory Memorandum regarding matters that are not historical fact,

are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other facts that may cause the Fund’s actual results performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include, among others:

- changes in political, social and economic conditions and the regulatory environment in Sri Lanka and other countries in Asia ;
- changes in inflation, interest rates and currency exchange rates in Sri Lanka;
- demographic changes;
- changes in the market/competitive conditions in Sri Lanka and the ability of companies in Sri Lanka to operate and compete under these conditions;
- other factors beyond the Fund Manager's control.

Given the risks and uncertainties that may cause economic and market conditions and thereby the Funds future performance or achievements to be materially different than expected, expressed or implied by the forward-looking statements in this Explanatory Memorandum, we advise you not to place undue reliance on those statements. The Managing Company is not representing or warranting to you that the Funds actual future results, performance or achievements will be as discussed in those statements. Further, the Managing Company disclaims any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances that may affect the future results, performance or achievements of the Fund.

THE FUND

Introduction

The NAMAL Acuity Value Fund will be a listed, 10-year closed-ended Unit Trust. The Fund is primarily an indirect collective equity investment scheme. It provides an opportunity for Investors to subscribe for Units in the Fund, where the subscription monies will in turn be invested in equities listed on the Colombo Stock Exchange through both the primary and secondary markets. However, the Fund will also have the option of investing in listed and unlisted fixed income securities, comprising of both government and corporate debt securities. The Fund would adopt a dynamic asset allocation strategy for investment in equity and fixed income securities markets in Sri Lanka. The Fund Manager will allocate all, or a high proportion of Fund Assets to investments in the equity market when market and company valuations are relatively attractive and potential for capital appreciation is high. The Fund Manager will liquidate equity investments and reallocate a high proportion of Fund Assets to investments in fixed income government or corporate debt securities when equity markets are believed to be over-valued, in order to preserve Invested Capital and generate distributable income whilst reducing market risk to the Fund.

The Fund is created by the Managing Company and established for a period of 10 years commencing from the Date of Allotment as a Unit Trust pursuant to the regulations for operation and marketing of Unit Trust investment schemes issued by the SEC. The Fund is a contractual arrangement between the Managing Company and the Trustee acting on behalf of the Investors. Such contractual arrangement will be registered with and regulated by the SEC.

Seed Capital

Acuity Partners (Private) Limited as the Sponsor of the Fund has arranged for a minimum subscription equivalent to LKR 200 million through its parent companies, DFCC Bank and Hatton National Bank PLC and their affiliated parties. This reflects the confidence placed in the strategy of the Fund by Acuity Partners (Private) Limited and its parent companies.

The Offer

Units will be offered during the Offer Period in LKR only at the price of LKR 50.00 per Unit, provided a completed Application Form along with payment of subscription monies (in the manner as described in the section titled “The Offering” and subject to realization of such subscription monies) is received by the Managing Company, the Placement Agent or other authorized agents as detailed in the Explanatory Memorandum prior to the Closing Date. In the event of an over-subscription, the Managing Company reserves the right to exercise the Over-Subscription Option as set forth elsewhere herein.

Minimum Subscription

The Minimum Subscription is represented by the number of Units equivalent to LKR 10,000.00 at the Offer Price, and thereafter in multiples of LKR 10,000.00 during the Offer Period.

Redemption

Redemption is not permitted during the Fund Term. However, subject to the listing of the Units on the CSE as described in the section titled “Listing”, Investors may buy/sell their Units in the secondary market at the market price prevailing at the time of the transaction. See section

titled “Redemption of Units on Liquidation of the Fund” for further details on redemption and cancellation of the Units on liquidation of the Fund at the end of the Fund Term.

Front-End Fee

The Managing Company will charge a Front-End Fee of 2.50% of the value of subscription monies accepted for allotment, as fees for creating the Fund and placement of the Units through the Offering.

Management Fee

The Fund will pay a management fee of 1.00% per annum of the Net Asset Value of the Fund to the Managing Company for acting as the Fund Manager and administrator of the Fund.

Distributions

The Fund will aim to make Distributions during the Fund Term. The Fund may distribute at the discretion of the Fund Manager, all or part of its realized income and capital gains to the Unit Holders.

Risk Factors

Investing in the Fund involves a degree of capital risk. As with any investment fund, there can be no assurance that the Fund will be profitable. Before subscribing for Units in the Fund, read the Explanatory Memorandum carefully and ensure that you understand the risk factors and the terms and conditions of this Explanatory Memorandum. In particular, prospective investors should consider carefully the factors set out under “Risk Factors” elsewhere herein.

Managing Company & Registrar

National Asset Management Limited will act as the manager of the Fund in accordance with the objectives and policies stated in this Explanatory Memorandum and subject to the conditions given in the Trust Deed. National Asset Management Limited will also act as the Registrar to the Fund, and will maintain the records of Unit Holders in the process of registration, transfer and redemption of the Units, and other administrative activities as may be required of the Fund administrator.

National Asset Management Limited, better known as NAMAL, is the first fund Managing Company in Sri Lanka to be licensed by the SEC to manage Units Trusts and has an experienced Fund Management, Administration and Compliance team. NAMAL is a public limited liability company with a stated capital of LKR 110 million and total shareholder funds of LKR 149 million as at 31 March 2009.

While the Directors of the Managing Company have overall responsibility for the Fund, they are not responsible for the day-to-day operations and administration of the Fund. These have been delegated to the relevant officials of NAMAL as the Fund Manager and the Registrar of the Fund.

Investment Objectives

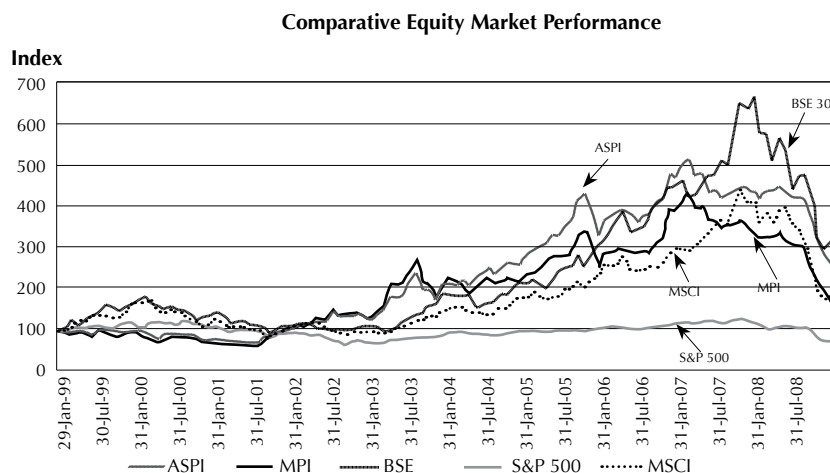
The investment objective of the Fund is to achieve long-term capital appreciation for the Unit Holders by adopting a dynamic asset allocation strategy for investment in listed equities and listed and unlisted fixed income securities.

Investment Rationale

For the past 26 years, Sri Lanka battled a debilitating separatist insurgency, at a severe cost to the country in both economic and social terms. Although the economic cost of the terrorist insurgency is difficult to quantify, some economists have estimated that it has cost the country on average, at least 2 percentage points a year, in terms of lost economic growth. However, despite the enormous economic and social cost of the war, the Sri Lankan economy has displayed remarkable resilience. Sri Lanka's economic growth as measured by growth in real GDP has averaged 5.25% p.a. in the 1990's and 5.18% p.a. from 2000 to 2008. This performance is highly commendable given the circumstances and compares favourably with many other less developed countries, although falling short of the high economic growth rates achieved by newly industrialised countries in East and Southeast Asia. Sri Lanka's past economic performance in the midst of the war, demonstrates the country's enormous potential for economic development spanning many industry and service sectors. It can be reasonably expected, that if the current peaceful environment following the defeat of terrorism prevails, Sri Lanka's future economic performance will far exceed its past achievements.

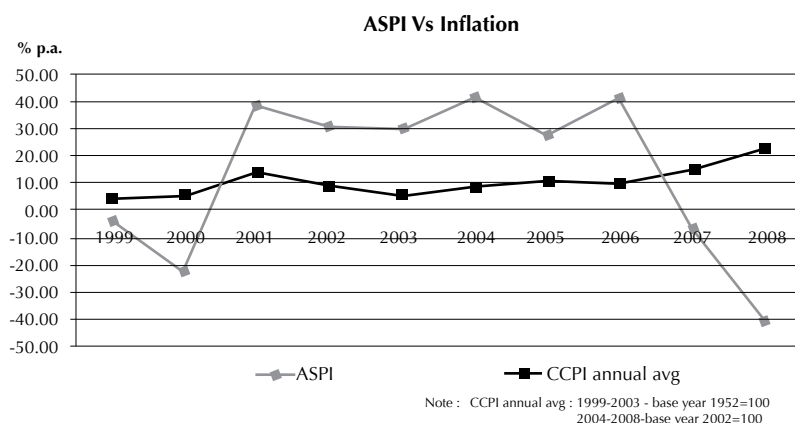
Equity Markets – 1999 to 2008

The growth of Sri Lanka's listed equity market broadly reflects and is influenced by the performance of the country's economy and business prospects. For the 10-year period from 1999 to end 2008, the All Share Price Index ("ASPI") which tracks the market capitalisation of the CSE, grew at a CAGR of 14.42% p.a. The Milanka Price Index, which tracks the more liquid stocks quoted on the CSE, grew at a CAGR of 7.95% p.a. during the corresponding period. The comparative performance of the CSE against selected regional and international equity markets is depicted in the graph set out below. The performance of the CSE has surpassed that of many developed equity markets, such as markets in the United States as measured by the S&P 500 Index, during the period under review. The growth of the Sri Lankan equity market was also comparable and by some measures has exceeded other regional and international developing markets as measured by the Morgan Stanley Capital International Emerging Markets Index ("MSCI Emerging Markets Index"), an index designed to measure equity market performance in global equity markets, which recorded a CAGR of 8.93% p.a. during the period under review. The results are noteworthy given the constraints faced by Sri Lanka as a result of the war and its impact on the economy and investment climate.



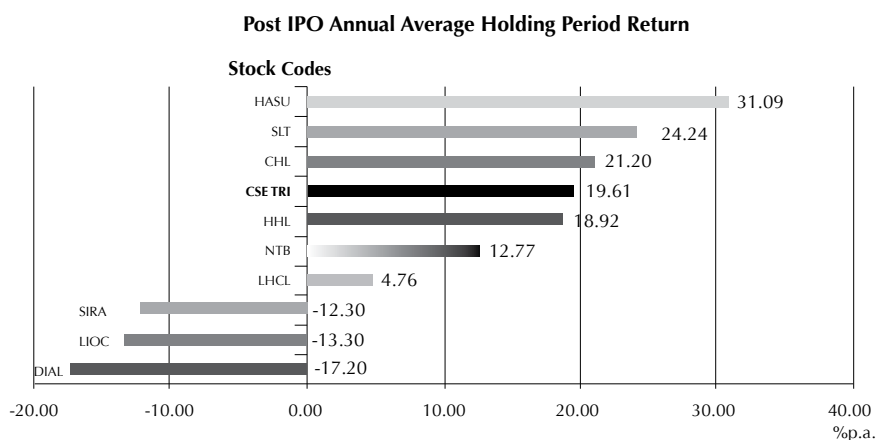
Notes: MSCI = MSCI Emerging Market Index, BSE 30 = BSE 30 Index of Bombay Stock Exchange. Sources: Bloomberg, Reuters and CSE data

For the 10-year period from 1999 to 2008, during phases when the equity market in Sri Lanka has recorded positive growth, it has usually generated returns significantly exceeding the growth in headline inflation, as evidenced by the graph set out below. Based on past data, investors can expect to receive a significant real return (after adjusting for inflation) by investing in a portfolio of shares which broadly tracks the market return, during such times.



Sources: CSE, Central Bank Annual Reports

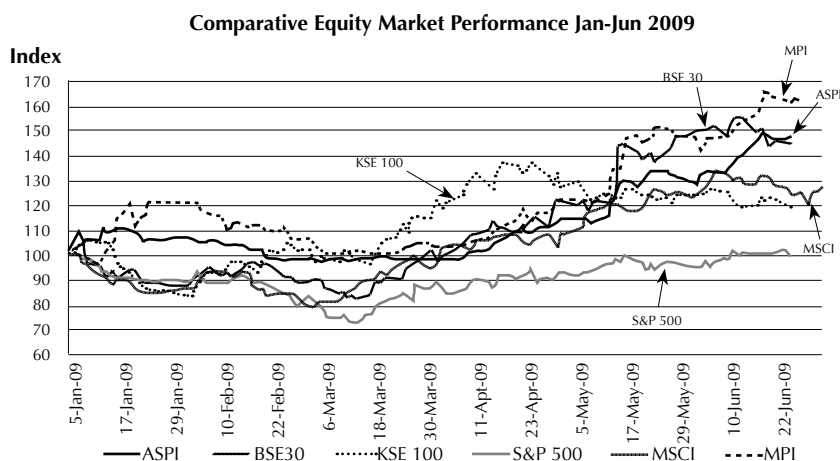
Recent primary issuances in Sri Lanka have for the most part yielded annualised returns, which when measured as the average annual holding period return, generally exceeded the total market returns as measured by the CAGR in the CSE Total Return Index, over the period from 1999 to 2009. This is depicted by the graph below with reference to a sample of some of the more significant initial public offerings ("IPO's") during the period under review and with reference to certain qualifications as discussed below. The average annual holding period return of each stock is calculated from the date of each respective IPO up to 30 June 2009, and as such may not be directly comparable as some stocks have been listed for a longer period of time than others. It should also be noted, that the CSE Total Return Index is only available from 2004 onwards. Furthermore, the average annual holding period returns for individual IPO stocks will vary depending on the time period selected.



Sources: CSE data

Equity Markets – January 2009 to date

The equity market in Sri Lanka has recorded significant growth from January 2009 to date. The ASPI has increased by 62% for the 6 month period ending 30 June 2009, reflecting a rise in total market capitalisation from LKR 489 billion as at end 2008, to LKR 790 billion as at end June 2009. The surge in the CSE indices was primarily fuelled by the ending of the three decade old terrorist insurgency and renewed investor confidence arising thereupon. The above factors have led to the CSE being cited as one of the best performing stock markets in the world as depicted in the graph set out below, with reference to a sample of regional and international equity markets.

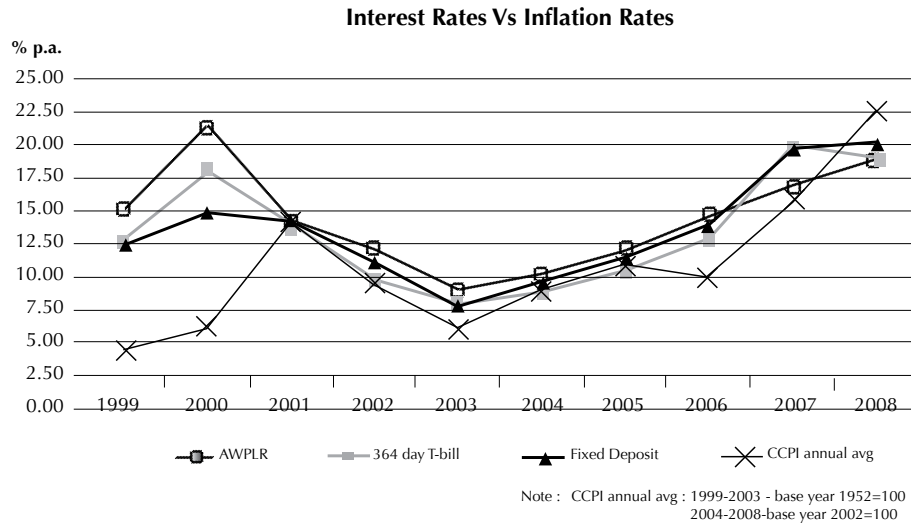


Notes: MSCI = MSCI Emerging Market Index, BSE 30 = BSE 30 Index of Bombay Stock Exchange, KSE 100 = KSE 100 Index of Karachi Stock Exchange. Sources: Bloomberg, Reuters and CSE data

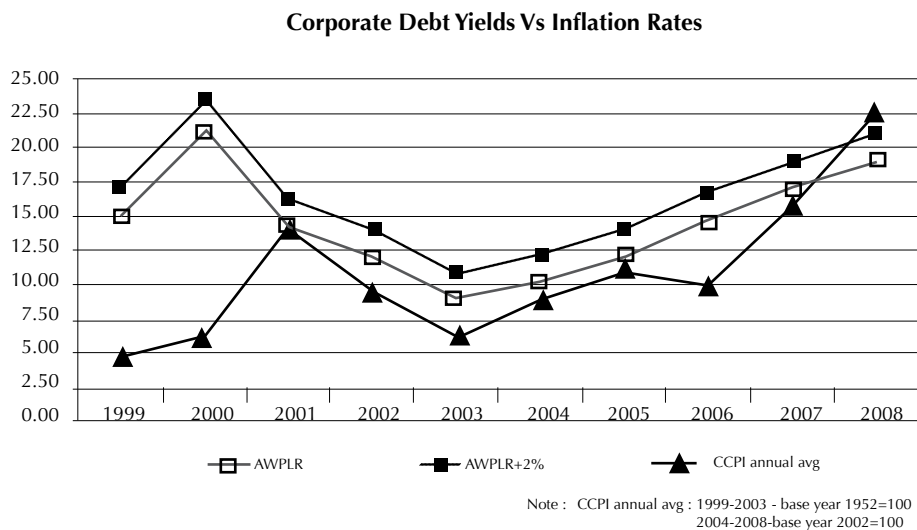
Barring any unforeseen incidents, the positive investor sentiment is expected to continue as Sri Lanka recovers and benefits from the ending of the war and economic opportunities arising from reconstruction and access to new markets in the former war-torn areas of the country.

Fixed Income Markets – 1999 to 2008

Nominal interest rates in Sri Lanka have generally closely followed headline inflation as measured by the Colombo Consumer Price Index ("CCPI"). During periods of high inflation, nominal interest rates have at times temporarily dipped below inflation, thus yielding a negative real return. However, investments in corporate fixed income securities which are usually priced at a premium over the Average Weighted Prime Lending Rate ("AWPLR") have traditionally yielded a positive real return, as depicted in the graph set out below, assuming an average premium of 2.00% p.a. over the AWPLR. However, investments in corporate fixed income securities carry an element of credit risk, although defaults among reputable and credit rated issuers in Sri Lanka have thus far been rare.



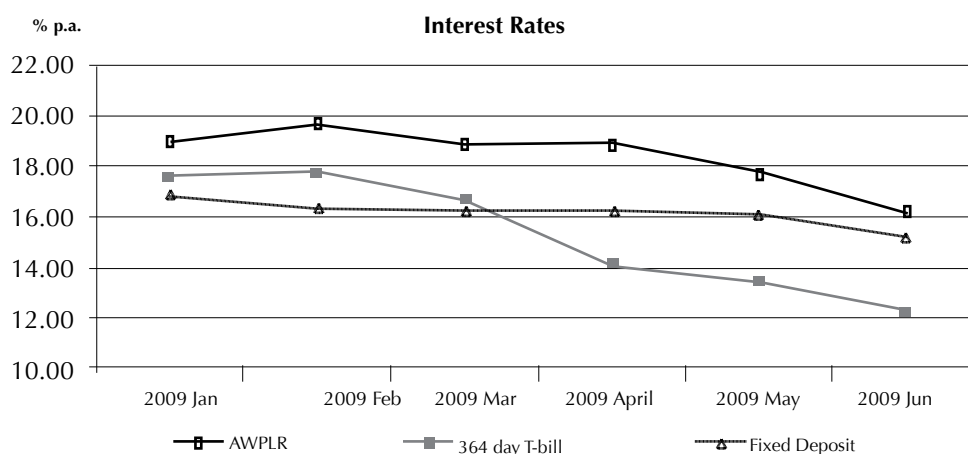
Source: Central Bank annual reports



Source: Central Bank annual reports

Fixed Income Markets – January 2009 to date

Easing inflationary pressure on the economy during the year 2009 has resulted in policy and market interest rates showing a marked decline over much of the period under review as depicted by the graph below. Market liquidity has further improved following the finalisation of an IMF stand-by credit facility which has resulted in a stabilisation of the exchange rate and enhanced capital inflows to the government securities market, thereby exerting further downward pressure on market interest rates across the yield curve. The long-term trend in benchmark market interest rates will depend on government fiscal policy and consolidation and its associated impact on other key macroeconomic variables including inflation.



Investment Rationale

Based on the above discussion, it is believed that going forward Sri Lanka's equity market has considerable upside potential in the medium to long term as a result of the changing investment climate following the ending of the war. Furthermore, based on the factors discussed above, it is believed that a dynamic investment strategy which allocates a high proportion of investable funds to both the primary and secondary equity market when such markets are buoyant, whilst shifting investments to fixed income securities to preserve capital during times when equity markets are depressed, has the potential to consistently generate significant real returns to investors over a period of time.

Investment Strategy & Selection

The Fund will primarily invest in listed equities with the option of investing in listed and unlisted fixed income securities. The Fund would adopt a dynamic asset allocation strategy for investment in equity and fixed income securities markets in Sri Lanka. The Fund Manager will allocate all, or a high proportion of Fund Assets to investments in the equity market when market and company valuations are relatively attractive and potential for capital appreciation is high. The Fund Manager will liquidate equity investments and reallocate a high proportion of Fund Assets to investments in fixed income government or corporate debt securities when equity markets are believed to be over-valued, in order to preserve Invested Capital and generate distributable income whilst reducing market risk to the Fund.

The Fund Manager will determine the asset allocation between equities and fixed income securities based on prevailing market conditions. The Fund Manager will have complete flexibility to allocate up to 100% of Fund Assets to either asset class as justified by market conditions, in order to achieve sustained capital appreciation whilst minimising downside risk.

Asset Allocation Framework (% of Fund Assets)		
Asset Class	Maximum Permissible Investment	Minimum Permissible Investment
Equities	100%	0%
Fixed Income Securities	100%	0%

Equities Selection

The stock selection policy of the Fund will be in line with the overall objectives of the Fund, which would be to invest in listed shares that provide for potential growth in value and income to the Fund. The Fund Manager will seek to primarily invest in outstanding, well managed businesses at attractive valuations. Some of the other factors that would be taken into consideration by the Fund Manager when selecting shares would be liquidity, growth, dividend yield and other special conditions as may be applicable.

Fixed Income Securities Selection

The Fund will shift asset allocation to fixed income securities as and when necessitated by market conditions in order to preserve Invested Capital and generate distributable income. When investing in corporate debt securities, the Fund Manager will primarily seek to mitigate credit risk by investing in well managed businesses with high credit quality, whilst maximising yields within an acceptable level of risk. Some of the other factors that would be taken into consideration by the Fund Manager when selecting investments in fixed income securities would be liquidity, duration, credit rating and other special conditions as may be applicable.

Investment Restrictions

The following investment restrictions will apply on investments made by the Fund, in accordance with SEC regulations and directives governing investments made by Units Trusts. Such regulatory directives may be amended from time to time.

Issuer and Class of Security	Investment Parameters
A) Listed Issuer <ul style="list-style-type: none">Listed equity	15% of the Net Asset Value ("NAV") or percentage of CSE market capitalisation weight, whichever is higher subject to a maximum 10% of the investee company's voting share capital.
B) Listed Issuer <ul style="list-style-type: none">Listed debtUnlisted Debt	25% of the NAV, if guaranteed 15% of NAV provided (D set out below) is not violated, if endorsed with recourse, 15% of NAV provided (D set out below) is not violated, if rated (entity/issue) – 15% of NAV, if none of the above 10% of NAV.
C) Unlisted Issuer <ul style="list-style-type: none">Listed debtUnlisted debt	25% of the NAV, if guaranteed 15% of NAV provided (E set out below) is not violated, if rated (issuer/issue) 15% of NAV provided (F set out below) is not violated, any investment not falling within these parameters requires special approval by the Commission.

D) Listed Issuer	
<ul style="list-style-type: none"> Listed equity, listed debt and unlisted debt 	25% of the NAV provided (A and B set out above) are not violated.
E) Unlisted Company	
<ul style="list-style-type: none"> Listed debt and unlisted debt (subject to disclosure requirements) 	25% of the NAV provided (C set out above) is not violated.
F) Bank licensed by the CBSL and carrying an investment grade rating	Total exposure permitted:
<ul style="list-style-type: none"> Whether through investments/endorsements/guarantees 	25% of the NAV.
G) Listed/Unlisted Issuer	
<ul style="list-style-type: none"> IPO's, Offers for Sale and Rights 	15% of the NAV or up to the percentage weight Issues of equity the expected market capitalisation of the company in comparison to the total expected market capitalisation based on the highest bid price.
H) Placement or Offer for Sale of	25% of the NAV.
	Listed Debt Instruments
I) Quasi Equity Convertible Securities	Allowed within limits specified from (A to F set out above) upon expected conversion.
J) Derivatives, Warrants	Allowed where at the "exercise price" the securities will be within the limits specified from (A to F set out above).

Proxy Voting Policies & Procedures

NAMAL as the Fund Manager will be responsible for exercising proxy voting decisions on behalf of the Fund with regard to investments made by the Fund in investee companies. Such proxy voting decisions will primarily arise with respect to annual general meetings or extraordinary general meetings that may be called by companies in which the Fund has invested and resolutions that may be proposed for voting at such meetings. NAMAL has adopted a transparent mechanism to ensure that proxy voting is carried out in the best interest of the Investors in the Fund and to address potential conflicts of interest. It is also aimed at supporting investee companies to follow good corporate governance practices in the best interest of its shareholders including the Fund.

The Compliance Officer at NAMAL is responsible for the implementation of proxy voting procedures. All proxies are recorded when received in a register and voting decisions are recorded to keep track of voting patterns and for inspection by Investors in the Fund. A team comprising the Chief Executive Officer, Fund Manager, Chief Financial Officer and the Compliance Officer reviews all proxies received and decides the merits and demerits of the proposed resolution and determines the voting policy in accordance with the aforementioned principles. The respective

decision is then recorded in the register. The proxy register contains details such as name of the investee company, date of meeting, type of meeting, proposed resolution and voting decision and other relevant information as may be applicable.

Issuance of Further Units

The Managing Company on approval of the SEC, CSE and the Trustee & Custodian may issue further Units in order to increase the Fund Assets. The price at which any subsequent issue of Units for cash shall be offered to existing and/or new Unit Holders will be on the basis of the NAV per existing Unit as at the date of issue thereof as outlined in the Trust Deed and in a manner that will not reduce the NAV of Units held by existing Unit Holders at that time. Subject to approval of the SEC, CSE and the Trustee & Custodian, any further issuance and listing of Units will be in the form of an issue of Units for public subscription and will conform to the rules and regulations of the CSE for a further issue and listing of securities.

Life and Liquidation of the Fund

The Fund is a closed-ended Unit Trust fund established for a period of 10 years commencing from the date of allotment. Upon completion of the Fund Term, the Fund will be liquidated and the proceeds from realization of Fund Assets will be allocated pro rata to the Unit Holders, after all amounts due to third parties, including those due under the contractual arrangements entered into by the Managing Company on behalf of the Fund are satisfied.

Neither the death, bankruptcy nor incapacity of an Investor in the Fund, nor the bankruptcy or resignation of the Fund Manager, will terminate the Fund or in any way affect its continuity.

Financial Year

The financial year of the Fund will begin on 01 April and will end on 31 March of each year, except for the first financial year, which will begin on the Closing Date of the Offering and come to completion on 31 March 2010.

Taxation

Investors should ascertain from their professional advisors the consequences of acquiring, holding, transferring or selling Units under the relevant laws of the jurisdictions to which they are subject, including any tax consequences and exchange control requirements.

Neither the Trustee nor the Managing Company shall be responsible for any error in any tax estimates of tax repayments expected to be obtained or any sums payable by way of taxation provided that they have acted in good faith and exercised due care and diligence in so doing.

MANAGEMENT & PROFESSIONAL SERVICES

Sponsor & Placement Agent

The Managing Company has appointed Acuity Partners (Private) Limited as the Sponsor & Placement Agent for the Offering.

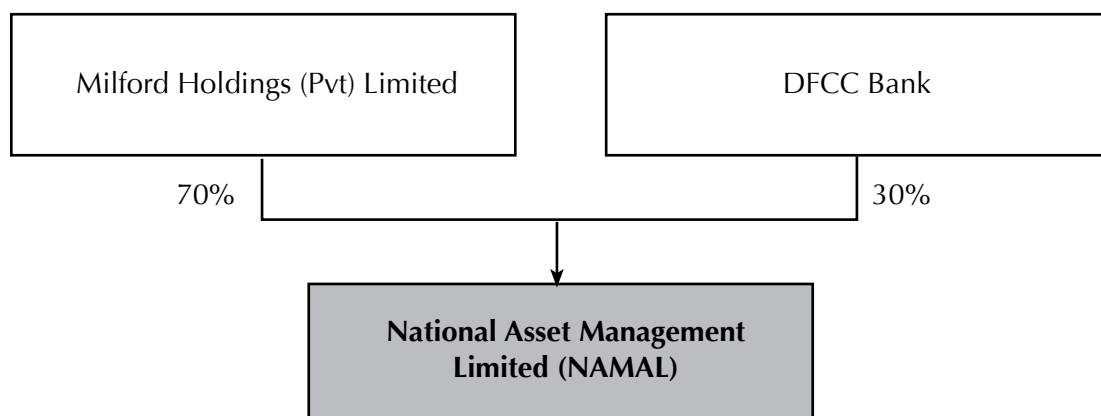
Acuity Partners (Private) Limited is a joint venture investment banking company, equally owned by DFCC Bank and Hatton National Bank PLC (“HNB”), and established in 2008 with a stated capital of LKR 500 million. Acuity Partners, which is the successor to the investment banking related subsidiaries and divisions of DFCC Bank and HNB, is engaged in corporate finance & advisory, equities brokerage, government securities primary dealership and related activities. As at 31 December 2008, Acuity Partners and its subsidiaries had consolidated assets of LKR 4,322 million and total shareholder funds of LKR 505 million.

Acuity Partners (Private) Limited as the Sponsor of the Fund has arranged for a minimum subscription equivalent to LKR 200 million through its parent companies, DFCC Bank and Hatton National Bank PLC and their affiliated parties. This reflects the confidence placed in the strategy of the Fund by Acuity Partners (Private) Limited and its parent companies.

Acuity Partners as the Placement Agent will be primarily responsible for marketing the Offering and liaising with prospective Investors in the Fund to ensure a successful closure of the Offering.

The Fund Manager, Managing Company & Registrar

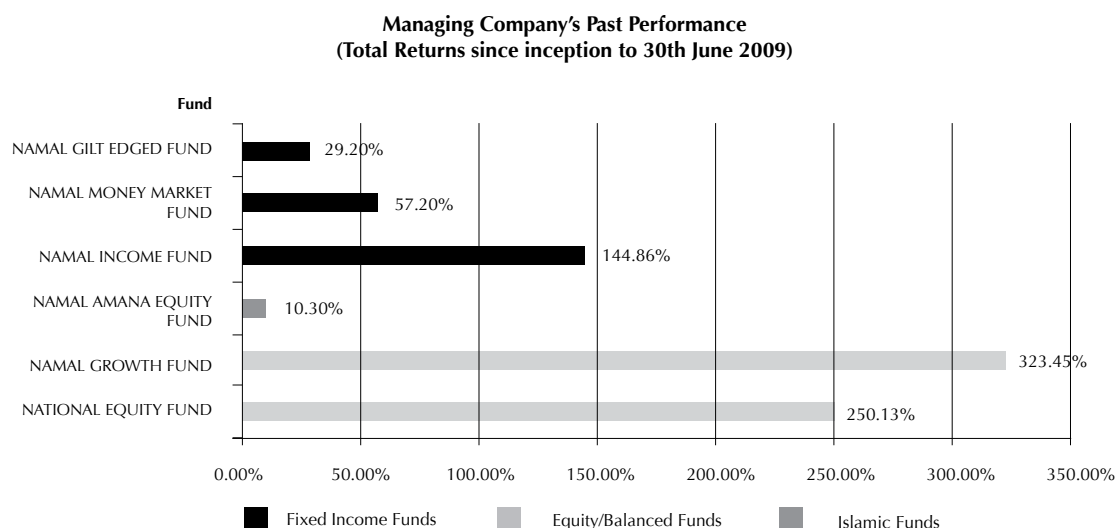
National Asset Management Limited, better known as NAMAL, is the first fund Managing Company in Sri Lanka to be licensed by the SEC to manage Units Trusts and has an experienced Fund Management, Administration and Compliance team. NAMAL is a public limited liability company with a stated capital of LKR 110 million and total shareholder funds of LKR 149 million as at 31 March 2009 and is owned by Milford Holdings (Pvt) Limited (70%), a subsidiary of Distilleries Company of Sri Lanka PLC and DFCC Bank (30%). NAMAL commenced business in 1991 as the pioneer unit trust company in Sri Lanka. The group structure of NAMAL is given below.



NAMAL currently manages the **National Equity Fund**, the first Unit Trust licensed in Sri Lanka, **NAMAL Growth Fund**, **NAMAL Income Fund**, **NAMAL Money Market Fund**, **NAMAL Amana Equity Fund** and several other private portfolios for institutional and corporate clients. The total

funds under management of NAMAL is approximately LKR 3,988 million as at 30 June 2009. NAMAL is licensed by the SEC and has an experienced Fund Management, Administration & Compliance team.

NAMAL, as the Fund Manager, will be responsible for the investment decisions and trading strategies of the Fund. The Fund Manager has more than 18 years of experience in successfully investing in Sri Lankan equity and fixed income markets. The past performance of the existing Unit Trusts for which NAMAL is Fund Manager and Managing Company are given below.



Source: NAMAL

The Fund Manager shall not be liable to the Fund, or any Investor in the Fund for any error of judgment or for any loss suffered by the Fund or any such Investor (including in particular, any loss suffered or incurred by the Fund, or any Investor in the Fund following upon or arising out of any action or omission taken or suffered by the Fund Manager in good faith in reliance on or in accordance with the opinion or advice of legal counsel, the auditors or other competent professional advisors) howsoever any such loss may have occurred unless such loss arises from gross negligence, fraud, bad faith, or wilful default in the performance or non-performance by the Fund Manager or persons designated by them of their obligations or duties as the Fund Manager.

To the extent set out in the Trust Deed, the Fund Manager is authorized to employ the services of external investment advisors if it is determined to be in the best interest of the Fund. The services of external investment advisors may include the provision of advice to the Fund Manager with reference to due diligence on investment opportunities and independent valuations. The fees and expenses payable to external investment advisors will be borne by the Managing Company.

NAMAL, as the Managing Company, will be responsible for the administration of the Fund. The duties of the Managing Company will include calculating the Net Asset Value of the Fund in accordance with procedures approved by, and under the direction of, and using the price sources and methodologies authorized by the SEC.

The Managing Company will also be responsible for the issue of Units, for acting as the Registrar, for keeping the accounts of the Fund and such financial books and records as required under Sri Lankan laws and regulations or otherwise for proper conduct of its financial affairs.

The Fund will indemnify and keep indemnified the Fund Manager and the Managing Company against all damages, losses, expenses and liabilities, including the fees and expenses of its lawyers and other professional advisors other than those resulting from wilful default, fraud or negligence on the part of the Fund Manager/Managing Company or any agent or any delegate appointed by it and for which it is liable which may be imposed on, incurred by or asserted against the Fund Manager/Managing Company in performing its obligations or duties under the Trust Deed.

Key Personnel of NAMAL

The senior management personnel of NAMAL consist of executives with wide financial and commercial knowledge and experience of managing unit trusts. The details of key personnel of NAMAL and their respective areas of responsibility are as follows:

Investments

Mr. S Jeyavarman, FCA - Chief Executive Officer

Mr. S Jeyavarman is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka, with twenty-two years of post qualifying experience. He joined NAMAL at the inception of the Company, and presently holds the position of Chief Executive Officer (CEO). He functioned as a Fund Manager for a period of six years and later as the Deputy General Manager prior to becoming the CEO. He also serves as the President of the Unit Trust Association of Sri Lanka.

Prior to joining NAMAL, he worked with Forbes & Walker Group for a period of ten years and held the post of Head of the Money Broking and Financial Services subsidiaries of the Group.

He has received extensive training overseas particularly with DBS Asset Management Limited in Singapore, Capital International in Singapore and USA. He has also attended many workshops locally and overseas in the areas of Fund Management and Unit Trust.

Mr. Ravi Amarasinghe, CFA - Fund Manager

Mr. Amarasinghe is a CFA Charter holder and has a Bachelors Degree in Business Administration. He is a member of the CFA Institute, USA. He joined NAMAL in May 2002, prior to which he worked for the Rupee Finance as a Director and Bartleet Mallory Stockbrokers as an Equity Analyst. Mr. Amarasinghe has 12 years experience in Sri Lankan Capital Markets.

Ms. Ineka Dunuwille, MBA, BSc Finance - Fund Manager

Ms. Dunuwille has a Master of Business Administration from the University of Wales and a BSc in Finance from the University of Wisconsin, US. She joined NAMAL in July 2006, prior to which she worked as an Equity Analyst at Ceylinco Stockbrokers (Pvt) Limited. Ms. Dunuwille also functioned as a Branch Manager at Nations Trust Bank, prior to her entry into Capital Markets. She has nine years experience in the local financial industry.

Compliance

Ms. A J R N A Sewwandika, ACA, BSc Mgt. (Special) (Hons) - Compliance Officer

Ms. Sewwandika is a member of the Institute of Chartered Accountants of Sri Lanka and has a BSc Management (Special) Degree from the University of Sri Jayewardenepura. She has

three years Accounting and Auditing experience at Ernst & Young and two and half years managerial experience in the manufacturing sector. She joined NAMAL in March 2008.

Registrar

Ms. Hemanthi Bulathwatte - Attorney-at-Law -Registrar

Ms. Bulathwatte is an Attorney-at-law and currently reading for a BSc in Business Administration at the University of Sri Jayewardenepura. She is a registered Company Secretary with the Registrar of Companies in Sri Lanka. She counts over six years experience in the fields of company secretarial and litigation and is currently working in the capacity of Registrar at NAMAL.

Finance

Ms. Sureka Gunathilake ACA, ACMA, BSc. Acc. & Fin. Mgt. (Special) (Hons) - Chief Accountant

Ms. Gunathilake is a member of the Institute of Chartered Accountants of Sri Lanka and Chartered Institute of Management Accountants UK. She has a BSc Degree in Accountancy & Financial Management (Special) from the University of Sri Jayewardenepura.

She has three years accounting and auditing experience at Ernst & Young and two and half years experience at Unilever Sri Lanka Limited as an Accountant.

The Directors

The Directors of the Managing Company have overall authority over, and responsibility for, the operation and management of the Fund and will exercise supervision and control of the Fund including making decisions on matters of general policy and reviewing the actions of the Managing Company.

The Directors will not be involved in the day-to-day operations of the Fund or in making and/or influencing investment decisions. The day-to-day operations of the Fund and the investment decisions taken by the Fund will be the responsibility of relevant authorized officials and executives of the Managing Company.

The following persons have been appointed as Directors of the Managing Company, National Asset Management Limited:

Mr. A.S. Abeyewardene

Mr. A.S. Abeyewardene is a Fellow of the Institute of Chartered Accountants of Sri Lanka, Fellow of the Society of Certified Management Accountants of Sri Lanka and a Fellow of the Institute of Directors U.K. He was a former Partner of KPMG Ford Rhodes Thornton & Company, Chartered Accountants. He is a Director of Ceylon Hospitals Limited (Durdans Hospital) and J.L. Morrison Sons & Jones Ltd., both of which are public quoted companies listed on the Colombo Stock Exchange. He is the Chairman of the Audit Committee of these two companies.

Mr. A N Fonseka

Mr. Nihal Fonseka is the Chief Executive Officer of DFCC Bank since 2000. He is the Chairman of the Colombo Stock Exchange and a Vice Chairman of the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP). Mr. Fonseka is a member of the Governing Board of the National Institute of Business Management (NIBM) and serves as a member of the Advisory Committee on Finance and Banking of the Ceylon Chamber of Commerce, the Financial Sector and Tax Clusters of the National Council for Economic Development (NCED). He is also a member of the National Payments Council and Inter-Regulatory Institutions Council.

He is a Graduate of the University of Ceylon, Colombo, and a Fellow of the Chartered Institute of Bankers, UK.

Mr. H A Herat

Mr. Herat is an Investment Banker by profession counting over 15 years of Investment Banking and Corporate Finance experience having worked as an Equity Analyst/Investment Banker in the region, including Hong Kong, Thailand and Singapore, specializing in key sectors such as Telecoms, Power and Energy, Cement, Petroleum, MNC's and Small Caps. Mr. Herat is currently working as Chief Investment Officer/Director for Aegis Fund Management (Pvt) Ltd, which manages funds of the Distilleries Group of Companies. He holds a BSc (Hon) Degree in Business Management from University of Swansea, Wales (1993) and MSc in Corporate Finance from University of London, Uxbridge (1994).

Mr. L U D Fernando

Mr. Fernando is a Fellow member of the Chartered Institute of Management Accounts (UK) and holds a Master of Business Administration. He is currently the Chairman of Splendor Media (Pvt) Ltd and a director of several subsidiary companies of the Distilleries Company of Sri Lanka PLC.

Mr. T W De Silva

Mr. Tyrone De Silva is a Senior Vice President and Head of the Corporate Banking and Investment Banking Departments at DFCC Bank. He joined the Bank in 1989 and has been involved throughout in the Bank's Corporate Finance and Capital Markets business. He serves as a member of Bank's Credit, Investment and Asset Liability Committees and as nominee Director on the Boards of some of the Bank's other subsidiary and associate companies.

Mr. De Silva holds a Master's Degree in Business Administration from the University of Warwick, UK. He is also a Graduate Member of the Institute of Mechanical Engineers, UK.

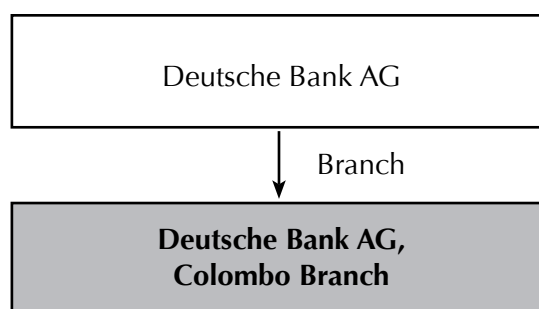
Mr. D T R De Silva

Mr. Ranil De Silva is a Fellow member of the Chartered Institute of Management Accountants (UK), Associate member of the Institute of Chartered Accountants of Sri Lanka and he holds a Diploma in Marketing from the Chartered Institute of Marketing (UK). He is currently the Group Chief Executive Officer of Distilleries Company of Sri Lanka PLC and a director of several subsidiaries of the DCSL Group. He counts over 20 years of post qualifying experience in financial management and commercial operations in Sri Lanka and overseas.

The Trustee & Custodian

The Managing Company has appointed Deutsche Bank AG, Colombo Branch, as the Trustee & Custodian pursuant to the Trust Deed.

Deutsche Bank AG is one of the world's leading international financial service providers, with approximately Euro 1,128 billion in assets and over 68,000 employees in 74 countries worldwide. As a lean, dynamic, focused universal bank Deutsche Bank ranks among the leaders in Corporate Banking & Securities, Transaction Banking, Asset Management and Private Wealth Management.



In Sri Lanka, Deutsche Bank's Trust & Securities Service provides administrative services for a wide range of financial structures, specializing in Custody and related Trustee Services. Deutsche Bank's Sri Lankan operation is 100% owned by Deutsche Bank AG.

The Trustee's responsibilities are mainly to exercise due diligence and vigilance over the Fund with the objective of safeguarding the interests of the Unit Holders. The Trustee is the legal owner of the Fund Assets and is also responsible for ensuring that the Managing Company performs its obligations of all payments on behalf of the Fund.

The Custodian will ensure at its own risk and cost, safe custody of cash and non-cash property including all Fund Assets received from time to time by the Fund. The Custodian will hold the Fund Assets on behalf of the Investors in the Fund.

The Custodian shall not – in the absence of fraud, wilful default or negligence on the part of the Custodian, or any agent, delegate, or sub-custodian appointed by it, and for which it is liable – be liable to the Fund, the Managing Company, any Investor or any shareholder in the Managing Company for any act or omission in the course of or in connection with the services rendered by it or for any loss or damage which the Fund, the Managing Company or the Investors may sustain or suffer as a result or in the course of the discharge by the Custodian of its duties under or pursuant to the Trust Deed.

The Fund will indemnify the Custodian from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, costs, expenses or disbursements of any kind or nature whatsoever other than those resulting from wilful default, fraud or negligence on the part of the Custodian or any agent or delegate appointed by it and for which it is liable which may be imposed on, incurred by or asserted against the Custodian in performing its obligations or duties under the Trust Deed.

Auditor

The Trustee has appointed Ernst & Young, Sri Lanka, as the independent Auditor for the Fund. The Auditor will prepare audited annual financial reports and will submit its reports to the Managing Company. Such reports will provide an opinion regarding the Fund's financial statements and an assessment of the accounting principles used.

THE OFFERING

The Offering

The Offering by this Explanatory Memorandum constitutes an invitation made to the general public to purchase 10,000,000 Units of NAMAL Acuity Value Fund at the Offer Price, payable in full on application. NAMAL Acuity Value Fund is a closed-ended Unit Trust fund, the Managing Company of which is licensed by the Securities & Exchange Commission of Sri Lanka.

The Managing Company may, at its sole discretion, increase the number of Units to be offered pursuant to the Offering by up to an additional 10,000,000 Units, at the Offer Price, to satisfy over-subscriptions, if any.

Units Offered in the Offering

10,000,000 Units (20,000,000 Units, if the Over-Subscription Option is exercised in full).

Offer Price

The Offer Price is LKR 50.00 per Unit.

Minimum Subscription

Applications should be made for a minimum of LKR 10,000.00 (200 Units) and in multiples of LKR 10,000.00 (200 Units) thereafter. Applications for less than LKR 10,000.00 (200 Units) or for a number which is not in multiples of LKR 10,000.00 (200 Units) will be rejected.

Listing

Application has been made to the CSE for permission to deal in and to list 20,000,000 Units (in the event the over-subscription option is exercised in full). Upon the completion of this Offering, the Units of the Fund will be listed on the CSE, facilitating trading of such Units in the secondary market through the CSE.

Subscription List

The subscription list for the Units will open at 9.00 a.m. on 16 September 2009 and shall remain open for 14 Market Days until closure at 4.30 p.m. on 06 October 2009. The Managing Company reserves the discretion to close the subscription list on any market day within the period of 14 Market Days irrespective of the number of Units subscribed by providing 01 Market Day's notice to the CSE.

In the event of an over-subscription (including the full subscription of the Over-Subscription Option of further 10,000,000 Units) the subscription list will close at 4.30 p.m. on the same day on which it is fully subscribed.

Applications may however be made forthwith and accordingly applications duly completed will be accepted in the manner set out under "Annexure I – Procedure for Application".

Eligibility for Application

Applications are invited for this Offering from the following categories of applicants:

- citizens of Sri Lanka who are resident within Sri Lanka and are above 18 years of age.
- companies, corporations or institutions incorporated or established within Sri Lanka;
- approved provident funds and approved contributory pension schemes registered/incorporated/established in Sri Lanka. In the case of approved provident funds and approved contributory pension schemes, the application should be made in the name of the Trustee/Board of Management in order to facilitate the opening of the CDS accounts.

Applications will NOT be accepted from individuals under the age of 18 years or in the name of sole proprietorships, partnerships, unincorporated trusts or non-corporate bodies.

Procedure for Application

Annexure I sets out the detailed procedure for application.

Explanatory Memorandum and Application Form

Copies of this Explanatory Memorandum and the Application Form may be obtained free of charge from the parties named under “Annexure II - Collection Points”. The Application Form constitutes part of this Explanatory Memorandum.

Allotment

The basis of allotment will be decided by the Managing Company before the expiry of 07 Market Days from closure of the Subscription List.

Assuming full subscription, the Managing Company will endeavour to make available the Offered Units for allotment based on the following mix between investor categories:

Qualified Local Financial Institutions	25% of the Offered Units
Qualified Local Institutional Investors	25% of the Offered Units
Other Local Investors	50% of the Offered Units

The above-mentioned allotment of Units between the categories may be subject to adjustment in order to accommodate probable over-subscription scenarios. That is, in the case of under-subscription of any one or more categories, relative to the allotment mix specified above, the Units under-subscribed may be clawed-back and redistributed to another category/categories that may be over-subscribed subject to the provisions set forth under “Basis of Allotment” below.

Basis of Allotment

If within a category, the aggregate demand is greater than the amount of Units available for allotment as specified above, allotment will be made on a proportionate basis.

Provided however, proportionate allotment will be effected in respect of over-subscribed categories after the:

- a) claw-back and redistribution of the Units as set out above; and
- b) the allotment in full to applicants subscribing to Units up to and inclusive of 200 Units and a minimum of 200 Units to applicants subscribing for over 200 Units.

Transfer of Units

The Units will not be transferable during the period between the date of allotment/allocation of the Units and the date of commencement of trading on the CSE.

DETERMINATION OF NET ASSET VALUE

The Net Asset Value of the Fund will be determined by the Managing Company in accordance with the following principles:

- 1) Investments held by the Fund will be valued as follows:
 - a) Listed securities will be valued at their closing price, with an appropriate discount (if any) to reflect any illiquidity.
 - b) Unlisted fixed income securities will be valued in accordance with the method of valuation the Managing Company considers will achieve a fair value. The Managing Company may rely on any valuation provided to it by such person making a market in or otherwise dealing in the investment in question. For the purpose of making any valuation, the Managing Company will be entitled, at the expense of the Fund to obtain and rely on independent valuations. As part of the annual audit, the valuation of unlisted fixed income securities will be reviewed by the Fund auditor.
- 2) All accrued debts and liabilities will be deducted from the total value of the Fund Assets including:
 - a) management fees and disbursements of the Managing Company earned but not yet paid;
 - b) any allowance for the Fund's estimated annual audit, legal and other fees;
 - c) charges of the Trustee & Custodian and any other service provider;
 - d) the gross acquisition consideration of investments or other property contracted to be purchased for the Fund;
 - e) reserves authorized or approved by the Managing Company for duties and charges or taxes or contingencies (accrued where appropriate on a day-to-day basis);
 - f) other liabilities of the Fund of whatsoever nature (which will, where appropriate, be deemed to accrue from day-to-day) including contingent liabilities (if any) being valued in such manner as the Managing Company may determine from time to time in any particular cases; and
 - g) all costs relating to any litigation in which the Fund or the Managing Company (acting in relation to the Fund) is involved.

The Net Asset Value per Unit will be calculated by the Managing Company in accordance with Sri Lanka Accounting Standards (SLAS), using the formula: the total assets of the Fund less the total liabilities divided by the total number of outstanding Units of the Fund as at close of business on such Valuation Day. The Net Asset Value of the Fund and the Units will be expressed in LKR.

The Net Asset Value will be calculated on each Valuation Day and shall be disseminated to CSE within five business days of the Valuation Day. The Fund may temporarily suspend the determination of the Net Asset Value per Unit upon the occurrence of one or more of the following events:

- a) the existence of any state of affairs which constitutes in the opinion of the Managing Company an emergency as a result of which disposal or the valuation of the Fund Assets would be impractical;

- b) any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments made by the Fund;
- c) upon issuing restrictions affecting the transfer of funds, transactions on behalf of the Fund are rendered impracticable or if purchase, sale, deposits and withdrawals of assets of the Fund cannot be affected in normal course of business;
- d) if an order by a Sri Lankan court or Sri Lankan regulatory body, including the SEC, is issued requiring such suspension; or
- e) when the market in which a substantial portion of the Fund Assets are invested or traded is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended in a way that affects the valuation of the Fund Assets;

Where a suspension occurs as described above, the Managing Company will notify the SEC and the CSE as soon as practicable the suspension and of the reasons thereof.

DISTRIBUTIONS

The Fund may distribute to the Unit Holders at the discretion of the Fund Manager, all or part of its realised income including, interest and dividends earned on investments and capital gains realised from the sale or disposal of investments.

Distributions are at the discretion of the Fund Manager and are likely to be irregular and/or of varying amounts and predominantly expected to occur in the latter part of each financial year.

Payment of distributions will be made in LKR to the registered Unit Holders only. The payment will be sent by normal post to the address registered with the Registrar at the risk of the Unit Holders by crossed cheques marked "Account Payee Only".

REDEMPTION OF UNITS ON LIQUIDATION OF THE FUND

The Fund is a closed-ended Unit Trust fund established for a period of 10 years commencing from the Date of Allotment of the Units. Upon completion of the Fund Term, the Fund will be liquidated and the proceeds from realization of Fund Assets will be allocated pro rata to the Unit Holders, after all amounts due to third parties, including those due under the contractual arrangements entered into by the Managing Company on behalf of the Fund are satisfied.

The redemption proceeds per Unit of the Fund arising from realization of Fund Assets as at the date of liquidation of the Fund will be determined by:

- a) ascertaining the Net Asset value of the Fund as at 4.30 p.m. on that date;
- b) deducting there from such sum that the Managing Company may consider as representing the appropriate duties and charges which would have been incurred if all securities and other Fund Assets would have been realized on that date at prices equal to their respective value as at close of business on that date; and
- c) dividing the resulting sum by the number of Units in issue and deemed to be in issue.

On completion of the Fund Term, subject to the provisions of the Trust Deed and the Unit Trust Code, the Managing Company will cancel all Units in issue or deemed to be in issue and distribute to the Unit Holders the redemption proceeds from the realization of the Fund on the basis as detailed above.

Trading and dealing of the Units on the CSE will cease from the Redemption Date of the Units, including that date.

Payment of redemption proceeds will be made in LKR only to the registered Unit Holders and to the Unit Holders who hold their Units in the CDS as at the Redemption Date. The payment will be sent by normal post to the address registered with the Registrar at the risk of the Unit Holders by crossed cheques marked "Account Payee Only".

Upon payment of the aforesaid redemption proceeds, the Managing Company and Trustee of the Fund shall inform and provide confirmation to the CSE that they have complied with and performed all obligations in terms of the Trust Deed and the Unit Trust Code with regard to the distribution of proceeds from the realization of the Fund and request the CSE to cancel the Units listed on the CSE and entries in the CDS.

FEES, TRADING COSTS & EXPENSES

Fees & Expenses Payable by the Investors and/or the Fund

The fees & expenses set out below will be payable by the Investors and/or the Fund and paid through the subscription monies and/or the Fund Assets as may be applicable.

Front-End Fee

A Front-End Fee of 2.50% will be payable by Investors to the Managing Company on the subscription monies accepted for allotment of Units which shall comprise of the initial Deposited property. The fee will be deducted from the initial Deposited Property at the time of subscription for and allotment Units. The Front-End Fee in this case is 2.50% and for every allotted Unit at the Offer Price of LKR 50.00, LKR 1.25 will be charged as a Front-End Fee and paid out of the initial Deposited Property.

The Front-End Fee will only be charged on the cleared subscription monies accepted for allotment of Units. In the event of an over-subscription, where an Application is accepted only in part, the Front-End Fee will not be charged on the balance of the application money which will be refunded. Likewise, where an Application is rejected subsequent to the applicant's cheque being realised, such monies will be refunded in full.

Management Fee

The Fund will pay a Management Fee at 1.00% per annum (subject to all expenses overall being capped at 2.00% per annum) of the Net Asset Value of the Fund to Managing Company for acting as the Fund Manager. The fee will be calculated and accrued as at each Valuation Day payable monthly in arrears.

Trustee & Custodian Fee

The Fund will pay Deutsche Bank AG, Colombo Branch a Trustee Fee calculated and accrued as at each Valuation Day payable monthly in arrears of 0.20% per annum of the Net Asset Value of the Fund plus all out of pocket expenses and a Custodian Fee of LKR 20,000.00 per month for acting as the Trustee & Custodian respectively to the Fund.

Other Operating Expenses

Full details of other administrators and professional expenses payable by the Fund are set out below.

- a) registrar expenses and fees;
- b) brokerage on dealing of securities;
- c) accountants fees and expenses (other than auditors fees and expenses) incurred in preparing any special reports required by the SEC and/or any other regulatory authority;
- d) auditors fees and expenses;
- e) cost incurred or to be incurred in the preparation and modification of the Trust Deed;

- f) cost incurred to enable the Fund to comply with legislation or other official requirements;
- g) all professional fees incurred in connection with matters pertaining to the affairs of the Fund;
- h) all taxes and other duties payable in the establishment, execution, management or termination of the Fund;
- i) all other charges and fees expressly authorised by the Trust Deed; and
- j) all costs incurred by the Managing Company in communicating with the Unit Holders in general and include cost of producing and dispatching newsletters, periodicals, reports etc.

Trading Costs Payable on Secondary Market Trading of Units through the CSE

In order to encourage and develop a market for listed Unit Trusts, the CSE has approved the following transaction fees which will be applicable for the secondary market trading of the Units through the CSE. The fees set out below represent a significant reduction on the prevailing fees currently applicable for trading of ordinary shares listed on the CSE.

Brokerage	Negotiable
CSE Fee	0.02% of the value of the trade
SEC Fee	0.02% of the value of the trade
CDS Fee	0.01% of the value of the trade

Fees & Expenses to be Borne by the Managing Company

The fees & expenses set out below will be borne solely by the Managing Company. Investors in the Fund and/or the Fund will not be liable for payment of the same.

Establishment Expenses

The Managing Company and the Sponsor & Placement Agent will bear all pre-incorporation and pre-operation expenses incurred for the establishment of the Fund. These include the cost of the Offering including legal costs, the cost of printing and distributing the Explanatory Memorandum and related documents, registration fees, marketing expenses and other expenses associated with the setting-up of the Fund and making the Offering.

Brokerage & Placement Fees on the Offering

Brokerage at the rate of 0.50% of the Offer Price will be paid by the Managing Company in respect of the number of Units allotted on Applications bearing the seal of any bank operating in Sri Lanka, the seal of a Member/Trading Member of the CSE or other intermediary appointed by the Managing Company involved in the placement/marketing of the Offering. The fees of the Sponsor & Placement Agent will also be paid by the Managing Company.

Other Expenses

The Managing Company are responsible for the charges and fees of any advisors, investment consultants, agents and investment counsellors retained by them. Furthermore, a CDS fee of LKR 15.00 per trade will be paid by the Managing Company in terms of the CSE Listing Rules for each trade in the Units on the CSE, subsequent to the listing of such Units.

RISK FACTORS

An investment in the Units involves certain risks relating to the investment strategies of the Fund and the Fund Manager. No representation is hereby made that the Fund's investment objective will be achieved. Each Investor should give careful consideration to the following risk factors, which are not exhaustive, in evaluating the merits and suitability of an investment in the Fund.

Investing in the Fund involves certain risks normally associated with making investments in equities and fixed income securities. The value of Units may go down as well as up and there can be no assurance that at the end of the Fund Term, the Investors will receive back the amount originally invested. Accordingly, the Fund is only suitable for investment by Investors who understand the risks involved. In particular, Investors should consider the following risks:

Limited Track Record

The Fund is a newly established investment vehicle with no track record and will be relying on the experience of the Fund Manager. No assurance can be given that the Fund Manager will succeed in enabling the Fund to meet the investment objectives. The past performance of the Fund Manager may not be construed as an indication of the future results of an investment in the Fund.

Potential Market Volatility

The prices of certain investments in Sri Lanka have been subject to sharp fluctuations and sudden declines and no assurance can be given as to the future performance of securities. Volatility of prices may be greater than in more developed stock markets. Investors should therefore be aware that the value of Units are likely to fluctuate.

Economic Climate

The end of the separatist insurgency in Sri Lanka has led to an improvement in the business and economic environment. However, resurgence in violence could be detrimental to the economy of the country and also the business confidence of the investor public.

Liquidity

Since the Fund will invest primarily in listed equities, the liquidity risk will be somewhat mitigated. However the Fund may invest in fixed income securities which may never be publicly listed. These investments may be difficult to value and to sell or otherwise liquidate, and the risk of investing in such securities is generally much greater than the risk of investing in publicly listed securities. Other than listed companies, companies whose debt securities are not publicly listed are not subject to the same disclosure and other investor protection requirements that are generally applicable to companies with publicly listed securities. In addition, there can be no assurance that companies in which the Fund invests eventually will list their debt securities on a securities exchange. To the extent that there is no liquid trading market for these investments, the Fund may be unable to liquidate these investments or may be unable to do so at a profit. Furthermore, there can be no assurances that private purchasers for the Fund's investments will be found. In addition, in certain circumstances the Fund may be prohibited by contract or for legal or regulatory reasons from selling an investment for a period of time.

Credit Risk

The Fund may also invest in corporate debt securities which might carry a degree of credit risk. Credit risk or default risk is the risk that an issuer of debt securities may default, i.e. the issuer may not be able to pay the interest and principal payments on a timely basis.

Non-Controlling Investments

The Fund may hold non-controlling aggregate interests in investee companies and, therefore, may have a limited ability to protect its investment in, or control the investment policies of, such investee companies.

Availability of Suitable Investment Opportunities

Although the Fund Manager is confident that it will be able to identify and make sufficient suitable investments, there can be no assurance that the Fund will be able to locate and complete investments which satisfy the Fund's objectives or that the Fund will be able to invest fully its capital.

Risk of Limited Number of Investments

The Fund may participate in a limited number of investments and, as a consequence, the aggregate return of the Fund may be materially adversely affected by the unfavourable performance of a single investment.

Disclosures and Approvals as per the Unit Trust Code and SEC Guidelines

- Any transaction between the Fund and the managing company or any connected person may only be made with the prior written consent of the Trustee and such transactions shall be disclosed in the Fund's annual report.
- All transactions between the Fund and an associate, joint venture, subsidiary or holding company of the managing company shall be with the prior written consent of the trustee and shall be disclosed in the Fund's annual report.
- The investment instruments which the Fund has invested in for the period concerned, for which the trustee company is also a trustee of the Fund shall be disclosed in the Fund's annual report.
- The Fund will comply with the continuing disclosure requirements as specified in the CSE Listing Rules.

Disclosures as per NAMAL Code of Ethics for Employees

- The investment professional when making investment recommendation shall disclose to his customers and clients any material conflict of interest relating to him and any material beneficial ownership of the securities or other investment involved that could reasonably be expected to impair his ability to render unbiased and objective advice.
- The investment professional shall also comply with all requirements as to disclosure of conflict of interest imposed by law and rules and regulations of organizations

governing his activities and shall comply with any prohibitions on his activities if a conflict of interest exists.

Absence of Voting Rights

Investors in the Units have no voting rights and do not participate in the management of the Fund or the Managing Company. Investors generally have no right to influence management of the Fund whether by voting against, withdrawing or otherwise. Furthermore, Investors have no right to terminate any agreement to which the Fund is or may be a party.

Legal Status

The Fund is a closed-ended collective Unit Trust investment scheme created by the Managing Company, and is structured as a contractual arrangement between the Managing Company and the Investors, registered with and regulated by the SEC. The Fund is intended to be separate from the Managing Company and from other funds launched or marketed by the Managing Company, if any.

The information in this document is based on the existing Sri Lankan Law, including taxation legislation, which may be subject to change. The value of the Fund's investments may be affected by uncertainties such as political developments, changes in governmental policies, taxation and currency repatriation restrictions

Isolation of Risks

The Managing Company may in the future choose to set up more investment funds in addition to the Fund. A creditor of the Fund will ultimately have recourse to the assets held in the Fund only and will not have any claim from other funds managed by the Managing Company.

To that end, all applicants for Units in the Fund will be required to acknowledge that when subscribing for Units they do not have any claim against any other investment fund, either currently in existence or to be set up in the future, by the Managing Company.

Taxation

Legal, tax and regulatory changes could occur during the term of the Fund that may adversely affect the Fund, its investee companies or Investors. The tax laws in Sri Lanka may change, possibly with retroactive effect.

The Managing Company will take reasonable steps to mitigate the Fund's tax liabilities. Investors should review carefully this Explanatory Memorandum and consult with their tax advisers regarding the specific tax and other consequences of investing in the Fund.

The foregoing is not a comprehensive list of investment risk factors, and potential Investors are urged to consult with their professional advisors as to the legal, tax and business risks involved in this Fund.

GENERAL INFORMATION

Collateral

The holders of Units of NAMAL Acuity Value Fund may be granted the benefits of pledging their Units with financial institutions as collateral for facilities allowed by them, entirely at the discretion of such financial institutions.

Rights of Unit Holders

Subject to the provisions of the Trust Deed and the Unit Trust Code, Unit Holders are entitled to;

- a) inspect the Trust Deed at the office of the Managing Company on any market day free of charge and to purchase copies of the same at a price of LKR 500.00 at the office of the Managing Company on any market day;
- b) to receive statements, annual accounts and reports of the auditors; and
- c) to participate in meetings of Unit Holders.

Reports & Accounts

Unit Holders will be sent a report on the annual accounts and the performance of the Fund annually. The accounts will be prepared up to 31 March in each year and sent to the Unit Holders within 03 months. Unit Holders will be sent an interim report for the period April to September of each year.

Unit Trust Code

All the operations of the NAMAL Acuity Value Fund will be subject to the provisions of the Securities & Commission Act, Unit Trust Code, Unit Trust Regulations and the general directives issued by the Securities & Exchange Commission of Sri Lanka from time to time.

Approval of the Securities & Exchange Commission

The Securities & Exchange Commission of Sri Lanka has approved this Explanatory Memorandum as suitable for distribution among prospective Investors of the NAMAL Acuity Value Fund.

Compliance with CSE Listing Rules

The Fund will be subject to the continuing listing requirements specified in the CSE Listing Rules.

Inspection of Documents

The Explanatory Memorandum and the Trust Deed may be inspected at any time during normal business hours at the Registered Office of the Managing Company from the date hereof.

Hosting of Explanatory Memorandum, Application Form and Trust Deed on the Web

The Explanatory Memorandum, Application Form and a copy of the Trust Deed are available on the Managing Company's website (www.namal.lk) and the website of the CSE (www.cse.lk), from the date hereof.

DECLARATION BY THE TRUSTEES & MANAGING COMPANY

Declaration by Trustees and Managing Company as per SEC Circular No: 02/2009 on Guidelines for Trustees and Managing Companies of Unit Trusts Funds.

Deutsche Bank AG, the Trustee and National Asset Management Limited, the Managers of the NAMAL Acuity Value Fund hereby declare that the transactions will be carried out at an arm's length basis and on terms which are best available for the Fund, as well as act, at all times, in the best interest of the Fund's Unit Holders.

Date of this Explanatory Memorandum

This Explanatory Memorandum is dated 07 September 2009.

ANNEXURE I - PROCEDURE FOR APPLICATION

1. Investors must apply for units by submitting duly completed Application Form, which constitutes part of this Explanatory Memorandum. Exact size photocopies of the original Application Form will also be permissible. The Explanatory Memorandum and Application Forms will be available free of charge from the collection points listed in Annexure II. Care must be taken to follow the instructions on the reverse of the Application Form. Applications that do not strictly conform to such instructions and additional conditions set out hereunder or which are illegible may be rejected.
2. Sri Lankan citizens should indicate their National Identity Card (“NIC”) number in the Application Form. The passport number will be accepted only when the NIC number is not available provided such applicants directly lodge their units with the CDS. Corporate entities must provide the company registration number. Any Application Form which does not state the NIC, passport or company registration number as the case may be will be strictly rejected.
3. All applicants are requested to state their residency and nationality in the appropriate cages provided in the Application Form.
4. Applicants wishing to lodge the units directly to their CDS account should state their own CDS account number in the space provided in the Application Form. Application Forms stating third party CDS accounts instead of their own CDS account numbers, except in the case of margin trading accounts will be rejected.
5. Applicants who wish to apply through their Margin Trading Accounts, should submit the Application in the name of the “Margin Provider/Applicants Name” signed by the Margin Provider. If the applicant wants the units uploaded to the CDS Margin Trading Account, the relevant CDS account number relating to the Margin Trading Account should be indicated in the space provided in the Application Form.
6. A copy of the margin trading agreement must be submitted along with the Application.
7. Please note that the margin provider can apply under its own name and such Applications will not be construed as Multiple Applications.
8. In the case of corporate applicants, the Application Form should be executed in the manner specified in the Articles of Association / the constitutional documents of such applicant.
9. In the case of the Applications made under Powers of Attorney (“POA”) a copy of the said POA, certified by a Notary Public, to be a true copy of the original should be lodged with the Registrar to the Offering along with each Application Form. The original should not be attached.
10. Applicants should be made for a minimum of 200 Units or multiples of 200 Units thereof. Applications for less than 200 Units or for a number which is not in multiples of 200 Units will be rejected. Any Application Form for less than 200 units or in odd lots (i.e. not in multiples of 200 units) shall be rejected at the outset.
11. Joint Applicants should note that all parties should be residents of Sri Lanka. An applicant of a Joint Application shall not apply through a separate Application either individually or jointly. Only one Application will be accepted on behalf of a person or a corporate body. Multiple Applications will be rejected.

12. The Managing Company reserves the right to reject all identified Multiple Applications or suspected Multiple Applications.
13. Applications made by individuals under 18 years or those in the names of sole proprietorships, partnerships and unincorporated and non-corporate bodies will not be accepted.
14. The Application Form properly filled in accordance with the instructions thereof, together with the remittance (cheque/bank draft or bank guarantee only) for the full amount payable on the application should be enclosed in a sealed envelope marked **“NAMAL Acuity Value Fund”** and be addressed and dispatched by post or by hand to the “Registrars to the Offering” at the following address, prior to the closure of the Offering:

Registrars to the Offering
National Asset Management Limited (NAMAL)
73, W. A. D. Ramanayake Mawatha
Colombo 02
Sri Lanka

15. Applications sent by post must reach the office of the Registrars to the Offering no later than 4.30 pm on the succeeding Market Day immediately upon the closure of the subscription list. Any Applications received after the said deadline shall be rejected even though the postmark is dated prior to the closing date.
16. Applications may also be handed over to the Registrars to the Offering, Managers to the Offering, the Bankers to the Offering and its designated branches and stockbrokers as set out in Annexure II.

Mode of Payment

1. Payment should be made separately in respect of each Application by way of cheque, bank draft or bank guarantee. All expenses inclusive of charges relating to real time gross settlement should be borne by the Investor. Investors are advised to ensure that sufficient funds are available in order to honour the bank guarantee, inclusive of charges, when called upon to do so by the Registrars to the Offering. Investors are encouraged to discuss with their relevant bankers with regard to the issuance of the guarantee and all related charges that would be incurred by the Investor.
2. Payment for Applications for values above and inclusive of LKR 100,000,000.00 (Rupees One Hundred Million) should only be supported by a bank guarantee. Cheques and bank drafts will not be accepted for values above and inclusive of LKR 100,000,000.00 (Rupees One Hundred Million).
3. Each Application Form should be accompanied by no more than one cheque/bank draft or bank guarantee. Applications with two or more cheques/bank drafts or bank guarantees will be rejected. Cash will not be accepted. However, anyone wishing to pay cash may obtain a bank draft free of charge from the Hatton National Bank PLC branches specified in this Explanatory Memorandum.
4. Cheques/bank drafts or bank guarantees accompanying Application Forms made for less than 200 Units or odd lots (i.e. not in multiples of 200 units) will not be sent for clearing and be returned via ordinary post at the risk of the applicant, or in the case of joint applicants, the first named applicant.

5. Cheques or bank drafts should be drawn upon any commercial bank in Sri Lanka and crossed **“Account Payee Only”** and made payable to **“NAMAL Acuity Value Fund - Initial Public Offering”**. The bank guarantees should be payable on demand, issued in favour of the Fund and should be in a manner acceptable to the Managing Company.
6. Investors residing in outstation areas from which cheque clearance may take over 02 days are advised to pay via bank drafts to avoid delays.
7. In the event that cheques are not realized within 03 Market Days from the day of closure of the subscription list, the monies will be refunded and no allocation of Units will be made. Cheques must be honoured on first presentation for the Application to be valid. Applications supported by cheques which are not honoured will be rejected.
8. All cheques/bank drafts or bank guarantees received in respect of Applications will not be banked until the next banking day after the closure of the subscription list.

Rejection of Applications

1. Application Forms, which are incomplete in any way and/or are not in accordance with the terms and conditions of this Explanatory Memorandum, will be rejected at the absolute discretion of the Managing Company.
2. Applications delivered by hand after the closure of the Offering will be rejected. Applications received by post after 4.30 p.m. on the succeeding Market Day immediately following the date of closure of the Offering, will also be rejected even if they carry a post mark dated prior to the closure of the Offering.
3. Notwithstanding any provision contained herein, the Board shall reserve the right to refuse any Application or to accept any Application in full or part only.

Banking of Payments and Allotment

All cheques/bank drafts or bank guarantees received in respect of Applications will not be banked until the day after the closure of the subscription list. The Managing Company shall endeavour to make allotments within 07 Market Days from the closure of the Offering.

Successful Applicants, Refunds and Unit Certificates

Where an Application is not accepted subsequent to the applicant's cheque being realised, the applicant's money in full or where an Application is accepted only in part, the balance of the application money will be refunded. All refunds will be made by crossed cheques and sent by post at the risk of the applicant. In case of Joint Applications, the cheques will be drawn in favour of the applicant's name appearing first in the Application Form. Refunds on Units that have not been allotted would be posted before the expiry of 10 Market Days from the day following the closure of the Offering. Applicants would be entitled to receive one percentage (1.00%) point above the one year weighted average treasury bill yield of the immediately preceding week, on any refunds not made before the expiry of the above date.

Unit Certificates will be dispatched before the expiry of 25 Market Days from the date of closure of the Offering, by registered post to the address provided by each Unit Holder in their respective Applications. Where requested by a Unit Holder, the Units allotted will be directly uploaded to the respective CDS account given in the Application Form before the expiry of 18 Market Days, from the date of closure of the Offering. In such a situation a definitive unit certificate will not

be issued for the units allotted and the units will be directly deposited in his/her CDS account. **Investors wishing to trade the units on the CSE starting from the 1st day of commencement of trading of such units are advised to state the CDS account number requesting for a direct upload of the units.**

A written confirmation will be sent to the Investor within 02 Market Days of crediting the CDS accounts by ordinary post to the address provided by each Unit Holder in their respective Applications.

The Units may be listed upon the completion of the CDS uploads and prior to dispatch of Unit Certificates. Therefore investors who wish to trade units in the secondary market from the first day of commencement of trading are advised to request for a direct upload of Units to their CDS account by stating the CDS account number when applying for Units. In the event that the number is not stated in the Application Form, the Unit Certificate dispatched by post may not be received by the Investor before the Fund commences trading on the CSE.

Allotment

The basis of allotment will be decided by the Board of Directors of the Managing Company before the expiry of 07 Market Days from the closure of the Subscription List.

Assuming full subscription, the Board would endeavour to make available the Offered Units for allotment based on the following mix between investor categories:

Qualified Local Financial Institutions	25% of the Offered Units
Qualified Local Institutional Investors	25% of the Offered Units
Other Local Investors	50% of the Offered Units

The above-mentioned allotment of Units between the categories may be subject to adjustment in order to accommodate probable over subscription scenarios. That is, in the case of under-subscription of any one or more categories, relative to the allotment mix specified above, the Units under-subscribed may be clawed-back and redistributed to other category/categories that may be over-subscribed subject to the provisions set forth under "Basis of Allotment" below.

Basis of Allotment

If within a category, the aggregate demand is greater than the amount of Units available for allotment as specified above, allotment will be made on a proportionate basis.

Provided however, proportionate allotment will be effected in respect of over-subscribed categories after the:

- a) claw-back and redistribution of the Units as set out above; and
- b) the allotment in full to applicants subscribing to Units up to and inclusive of 200 Units and a minimum of 200 Units to applicants subscribing for over 200 Units.

Prospective investors who have applied in any under subscribed category/categories as referred to above shall be allotted in full.

Transfer of Units

The Units shall not be transferable during the period between the date of allotment/allocation of the Units and the date of commencement of trading on the CSE.

ANNEXURE II – COLLECTION POINTS

Copies of the Prospectus and the Application Form can be obtained free of charge from the following collection points.

Managing Company & Registrar

National Asset Management Limited (NAMAL)
73, W. A. D. Ramanayake Mawatha,
Colombo 02
T: 2445911

Sponsor & Placement Agent

Acuity Partners (Private) Limited
53, Dharmapala Mawatha,
Colombo 03
T: 2206206

Members & Trading Members of the CSE

Bartleet Mallory Stockbrokers (Private) Limited

Level G, “Bartleet House”
65, Braybrooke Place,
Colombo 02
T: 5220200

Acuity Stockbrokers (Private) Limited

53, Dharmapala Mawatha,
Colombo 03
T: 2206206

John Keells Stockbrokers (Private) Limited

130, Glennie Street,
Colombo 02
T: 2326003, 2338066/7, 2446694/5,
2439047/8

Asha Phillips Securities Limited

Level 4, “Millennium House”,
46/58, Navam Mawatha,
Colombo 02
T: 2429100

DP Global Securities (Private) Limited

1st Floor, “Sayuru Sevana”,
46/12, Navam Mawatha,
Colombo 02
T: 4700111, 2307366

Somerville Stockbrokers (Private) Limited

137, Vauxhall Street,
Colombo 02
T: 2329201-5, 2332827, 2338292-3

JB Securities (Private) Limited

150, St. Joseph Street,
Colombo 14,
T: 2490900, 077-2490900, 077-2490901

Lanka Securities (Private) Limited

228/2, Galle Road,
Colombo 04,
T: 4706757, 2554942

Asia Securities (Private) Limited

Level 21, West Tower,
World Trade Centre, Echelon Square,
Colombo 01,
Tel. 2423905, 5320000

Ceylinco Stockbrokers (Private) Limited

Level 9, “Ceylinco House”,
69, Janadipathi Mawatha,
Colombo 01
T: 4714300, 4714388-9, 077-891871

Capital Trust Securities (Private) Limited

42, Mohamed Macan Markar Mawatha,
Colombo 03
T: 5335225

SC Securities (Private) Limited

2nd Floor,
55, D. R. Wijewardena Mawatha,
Colombo 10
T: 4711000

CT Smith Stockbrokers (Private) Limited

4-14, Majestic City,
10, Station Road,
Colombo 04
T: 2552290-4

HNB Stockbrokers (Private) Limited

Acuity Partners (Private) Limited
53, Dharmapala Mawatha,
Colombo 03
T: 2206206

NDBS Stockbrokers (Private) Limited

5th Floor, NDB Building,
40, Navam Mawatha,
Colombo 02
Tel: 2314170-78

Capital Alliance Securities (private) Limited

Level 5, "Millenium House",
46/58, Navam Mawatha,
Colombo 02
T: 2317777

SMB Securities (Private) Limited

Landmark Building, 385 Galle Road,
Colombo 03
T: 5539593

First Guardian Equities (Private) Limited

32nd Floor, East Tower, World Trade Centre,
Echelon Square,
Colombo 01
T: 5884400

Tabrobane Securities (Private) Limited

10, Gothami Road,
Colombo 08
T: 5328100

Amana Securities Limited

532/4F, Srikotha Lane,
Galle Road, Colombo 03.
T: 2372561-4

SKM Lanka Holdings (Private) Limited

377/3, Galle Road,
Colombo 03
T: 2372413-4

Bankers to the Offering

Hatton National Bank Branches

Branch Name	Branch Address	Telephone No.
Akkaraipattu	14, Main Street, Akkaraipattu	067 2277500
Alawwa	39, Main Street, Alawwa	035 5676052
Aluthgama	39, Welipenna Road, Aluthgama	034 2271739
Aluthkade	31, Quarry Road, Colombo 12	011 2445042
Ambalangoda	94/1 New Road, Ambalangoda	091 2258748
Ambalantota	73, Main Street, Ambalantota	047 2225353
Ampara	Siyarata Building, DS Senanayake St., Ampara	063 2222634
Anuradhapura	30, Maithripala Senanayake Mw., Anuradhapura	025 2222474
Apollo Hospitals	578, Elvitigala Mw., Colombo 05	011 4512610
Asha Central Hospital	37, Horton Place, Colombo 07	011 4718516
Avissawella	72, Yatiyantota Road, Avissawella	036 2230227
Badulla	15 Udayarajah Mw., Badulla	055 2222991
Balangoda	70 A/1, Barnes Ratwatta Mw., Balangoda	045 2287353
Bambalapitiya	285, Galle Road, Colombo 04	011 2501698
Bandaranaike International Airport	Bandaranaike International Airport, Katunayake	011 2253108
	Sri Lankan Airlines Administrative Complex, Katunayake	011 2253808
Bandarawela	70, Dharmavijaya Rd., Bandarawela	057 2230584
Batticaloa	5, Central Road, Batticaloa	065 2222813
Batticaloa Pay Office	183, Main Street, Kattankudi	065 2247433
Biyagama	BEPZ Administrative Complex, Biyagama	011 2465340
Biyagama Pay Office	351/F1, Biyagama Road, Delgoda	011 2402357
Bogawantalawa	41, Main Street Bogawantalawa	052 2267550
Boralesgamuwa	24, Maharagama Road, Boralesgamuwa	011 2516533
Borella	53/1, DS Senanayake Mw., Colombo 08	011 2696929
Buttala	54, Raja Mw., Buttala	055 2273635
Chilaw	28A, Kurunegala Road, Chilaw	032 2223271
Chunnakan	110, KKS Road, Chunnakan	021 2226473
Cinnamon Gardens	251, Dharmapala Mw., Colombo 07	011 2683583
City Office	16, Janadhipathi Mw., Colombo 01	011 5562562
Emirates	64, Lotus Road, Colombo 01	011 2448344
Dambulla	622, Anuradhapura Road, Dambulla	066 2284819
Dankotuwa	114, Pannala Rd., Dankotuwa	031 2258797
Dehiwela	196, Galle Road, Dehiwela	011 2723362
Delgoda	351/F, New Kandy Road, Delgoda	011 5654810
Dematagoda	284, Baseline Road, Colombo 09	011 2678582
Deniyaya	99, Main Street, Deniyaya	041 2273776
Elpitiya	18, Main Street, Elpitiya	091 2291832
Elpitiya Pay Office	28, Thotupola Road, Pitigala	091 2238201
Embilipitiya	Sarathchandra Building, Main Street, Embilipitiya	047 2230300
Galle	3, Wackwella Road, Galle	091 2232248
Galle Pay Office	Koggala, Habaraduwa	091 2283347
Gampaha	3A, Mangala Road, Gampaha	033 2222520
Gampola	12, Kandy Road, Gampola	081 2352864
Gampola Pay Office	15, Kandy Road, Gelioya	081 2314052

Grandpass	182, Central Street, Colombo 14	011 2332723
Gunasinhapura	11, Muhandiran Rd., Gunasinhapura, Colombo 12	011 5365261
Hambantota	47, Wilmot Street, Hambantota	047 2220505
Hatton	78, Dimbula Road, Hatton	051 2222554
Head Office	479, TB Jayah Mw., Colombo 10	011 2660160
Homagama	71, High Level Road, Homagama	011 2857126
Homagama Pay Office	40, Ingiriya Road, Padukka	011 2830040
Horana	153, Anguruwatota Rd., Horana	034 2261595
Hulftsdorp	151, Mihindu Mw., Colombo 12	011 2436299
IWMI	127, Sunil Mw., Pellawatte	011 2787404
Ja-ela	73, Old Negombo Road, Kanuwana, Ja-ela	011 2232752
Jaffna	212, Hospital Rd., Jaffna	021 2222787
Kadawatha	Weerasekera Building, 335 Kandy Road, Kadawatha	011 4813602
Kaduvela	496/A, Avissawella Road, Kaduvela	011 2579467
Kaduvela Pay Office	61/1, Dissagewatte, Hanwella	045 2270210
Kahawatte	762A, Main Street, Kahawatte	045 2270396
Kalmunai	24, Police Station Road, Kalmunai	067 2229913
Kalutara	225, Galle Road, Kalutara South	034 2222152
Kandy	1, Dalada Veediya, Kandy	081 2224204
Kandy Pay Office	458/1, Peradeniya Rd., Kandy	081 2202078
Kantale	191/2, Main Street, Kantale	026 2234383
Kandana	52, Negombo Rd., Kandana	-
Katugastota	4, Sri Ratnapala Mw., Katugastota	081 4472639
Katugastota Pay Office	91E, Matale Rd., Akurana	081 2304307
Katunayake	510/2, Dhamaloka Mw., Aweriwatte, Katunayake	011 2254809
Katunayake Pay Office	346, Negombo Rd., Seeduwa	011 4833936
Kegalle	233, Kandy Road, Kegalle	035 2223731
Kiribathgoda	141, Kandy Road, Kiribathgoda	011 2914414
Kirullaponne	100, High Level Road, Kirullaponne, Colombo 06	011 2513299
Kirindiwela	71, Gampaha Road, Kirindiwela	033 2267628
Kollupitiya	293, Galle Road, Colombo 03	011 2576763
Kollupitiya Pay Office	471, Galle Road, Colombo 03	011 2503776
Kotahena	280, George R. De Silva Mw., Colombo 13	011 2472068
Kottawa	35, High Level Road, Kottawa	011 2846082
Kottawa Pay Office	120, Kaduvela Rd., Athurugiriya	011 2744350
Kotte	1424, Kotte Rd, Rajagiriya	011 2874997
Kuliyapitiya	225, Main Street, Kuliyapitiya	037 2281909
Kurunegala	6, St. Anne's St., Kurunegala	037 2223246
Kurunegala Pay Office	126, Colombo Rd., Kurunegala	037 2231062
Maharagama	145, Colombo Rd., Maharagama	011 2851468
Mahiyangana Branch	15, Kasun Buliding, Central Bus Stand,	055 5676846
Main Branch	38, Green Path., Colombo 03	011 2337501
Maligawatte	Maligawatte Secretariat, Colombo 10	011 2382282
Mannar	68, Main Street, Mannar	023 2232154
Maradana	657, Kularatne Mw., Colombo 10	011 2673371
Marandagahamulla	62, Divulpitiya Rd., Marandagahamulla	031 2246391
Marawila	534, Colombo Rd., Marawila	032 2254111
Maskeliya	7, New Town, Maskeliya	052 2277341
Matale	660, Trincomalee St., Matale	066 2224410
Matara	58D, Esplanade Rd., Matara	040 2222588

Matara Pay Office	New Wanigesekera Building, Kamburupitiya Rd., Akuressa	041 2284471
Mawanella	15, Colombo Rd., Mawanella	035 2246570
Minuwangoda	41, Samarakkody Rd., Minuwangoda	011 2296882
Monaragala	131, Wellawaya Rd., Moneragala	055 2276214
Moratumulle	38, Sri Premaratne Mw., Moratumulle	011 2653120
Moratuwa	143/1, Galle Road, Moratuwa	011 2647345
Mt. Lavinia	605, Galle Rd., Mt. Lavinia	011 2739122
Mt. Lavinia Pay Office	779, Galle Rd., Kaldemulla, Ratmalana	011 2625644
Mutwal	523, Ferguson Rd., Colombo 15	011 2525433
Narahenpita	255/2, Kirula Rd., Colombo 05	011 2369913
Navam Mawatha	Forbes & Walker Building, 46, Navam Mawatha, Colombo 02	011 2304915
Nawalapitiya	92, Campola Rd., Nawalapitiya	054 2222383
Nawaloka Hospitals	23, Sri Sugathodaya Mw., Colombo 02	011 2345783
Negombo	18, Rajapakse Broadway, Negombo	031 4873165
Negombo Pay Office	58A, St. Joseph St., Negombo	031 2369913
Nelliady	30, Pt. Pedro Rd., Nelliady	021 2264149
Nikaweratiya	51, Rathnasekara Building, Maho Rd,	037 4928858
Nittambuwa	22, Kandy Rd., Nittambuwa	033 2287462
Nochiyagama	10, Puttalam Rd., Nochitagama	025 2257813
Nugegoda	181, High Level Rd., Nugegoda	011 2828346
Nugegoda Pay Office	295B, Jubilee Post, Mirihana, Nugegoda	011 2853697
Nuwara Eliya	42, Queen Elizabeth Drive, Nuwara Eliya	052 2222348
OSC	P.O. Box 9, Pelawatte	011 2784920
Panadura	402, Galle Rd., Panadura	038 2235249
Panchikawatte	168, Panchikawatte Rd., Colombo 10	011 2327143
Pelmadulla	71C, Main Street, Pelmadulla	045 2274714
Pettah	149, Main Street, Colombo 11	011 2343800
Pettah Pay Office	Sri Lanka Ports Authority, Colombo 11	011 4714764
Piliyandala	63, Moratuwa Rd., Piliyandala	011 2614158
Pinnawela	Pinnawela Building, Pinnawela, Rambukkana	035 2265384
Pollonaruwa	647, Main Street, Kaduruwela, Pollonaruwa	027 2223326
Pussellawa	551, Nuwara Eliya Rd., Pussellawa	081 2478270
Puttalam	14, Kankanikulam St., Puttalam	032 2265581
Ragama	60, Tewatte Rd., Ragama	011 2959721
Ratnapura	9, Senanayake Mw., Ratnapura	045 2222374
Sea Street	60, Sea Street, Colombo 11	011 2439635
Sooriyawewa	Saman Building, Main St., Sooriyawewa	047 2289198
Sri Jayawardenepura Kotte	1424, Kotte Rd., Rajagiriya	011 4402517
Sri Jayawardenepura Kotte Hospital	Talapathpitiya, Nugegoda	011 4307219
Tangalle	90, Main St., Tangalle	047 2240663
Talangama	253, Kaduwela Rd., Koswatte, Talangama	011 2788430
Talawathugoda Pay Office	715, Pannipitiya Rd., Talawathugoda	011 2774194
Thambuttegama	255/A, Kurunegala Rd., Thambuttegama	025 2276125
Thimbirigasyaya	71A, Havelock Rd., Colombo 05	011 2582606
Tissamaharama	118, Hambantota Rd., Tissamaharama	047 2237708
Trincomalee	59, Ahambaram Rd., Trincomalee	026 2222572
Trincomalee Pay Office	276, Court Rd., Trincomalee	026 2221003
Vavuniya	43, Inner Circular Rd., Vavuniya	024 2222668
Wattala	270, Negombo Rd., Wattala	011 2931385

Welimada	35, Nuwara Eliya Rd., Welimada	057 2245108
Wellawaya	25, Haputale Rd., Wellawaya	055 2274934
Wellawatte	100, Galle Road, Colombo 06	011 2588702
Wennapuwa	39, Chilaw Rd., Wennapuwa	031 2253064

DFCC Vardhana Bank Branches

Ambalangoda	28/B, Galle Road, Ambalangoda	091 2255965
Anuradhapura	249, Maithreepala Senanayake Mw, A'pura	025 2223417/8
Avissawella	27/29 Yatiyanthota Rd, Avissawella	036 2233900-1
Badulla	14, Udayaraja Mw, Badulla	055 2230160/2
Bandarawela	176, Main Street, Bandarawela	057 2224849
Borella	14, Cotta Road, Colombo 08	011 2690069
Chillaw	44, Kurunegala Rd, Chillaw	032 2220236/7
Dambulla	632, Anuradapura Rd, Dambulla	066 2283553/4
Deniyaya	04, Pallegama Rd, Deniyaya	041 2273073/4
Galle	93, Wakwella Rd, Galle	091 2227372/3
Gampaha	123, Baudhaloka Mw, Gampaha	033 2226104
Gampola	73, Nuwaraeliya Rd, Gampola	081 22350877
Gangodawila	601/1, High Level Rd, Gangodawila	011 2442712
Horana	49 Panadura Rd, Horana	034 2265331/2
Kadawatha	341, Kandy Road, Kadawatha	011 2922340/1
Kadawatha	341, Kandy Road, Kadawatha	011 2922340/1
Kaduruwela	626, Main Street, Kaduruwela	027 2225859
Kalawana	70, Mathugama Road, Kalawana	045 2255411/2
Kaluthara	270, Main Street, Kaluthara	034 2225560
Kandy	5, Dewa Veediya, Kandy	081 2234411
Katugasthota	202/3, Kandy road, Katugasthota	081-2213465/6
Kiribathgoda	60, Kandy Road, Kiribathgoda	011 2910965
Kotahena	214, Bandaranayake Mw. Colombo 13	011 2438500/1
Kottawa	29, High Level Road, Kotta	011 2783886/7
Kuliyapitiya	139, Madampe Rd, Kuliyapitiya	037 2284564/5
Kurunegala	25, Rajapihilla Rd, Kurunegala	037 2224142
Maharagama	129, High Level Rd, Maharagama	011 2848877/8
Malabe	9, Athurugiriya Rd, Malabe	011 2442713/4
Matale	129, Main Street, Matale	066 2234332/4
Matara	5, Hakmana Road, Matara	041 2225500/2
Nawala	540, Nawala Road, Rajagiriya	011 2880880
Negambo	389/A, Main Street, Negombo	031 2227555/6
Nugegoda	24, Nawala Road, Nugegoda	011 2814038/9
Nuwara Eliya	58A, 60 Park Road, Nuwara-eliya	052 2223568/9
Panadura	114/A, Janapriya Mw, Panadura	038 2241630/1
Peradeniya	901/A, Peradeniya Rd, Kandy	081 2387673
Piliyandala	1, Old Road, Piliyandala	011 2609700/2
Polonnaruwa	626, Main Street, Kaduruwela, Polonnaruwa	027 2223333
Rathnapura	46, Bandaranayake Mw, Rathnapura	045 2223667/8
Wattala	424, Negombo Road, Wattala	011 2949148/9
Wellawatta	02, 33rd Lane, Wellawatta	011 2362741

NOTES

NATIONAL ASSET MANAGEMENT LTD

Application for Units in NAMAL Acuity Value Fund

Application No.

Banker/Broker Seal

PLEASE USE BLOCK LETTERS

Important: Please read the conditions of this Application

Offer Opens
Earliest Closing

16 September, 2009
16 September, 2009

INITIAL PUBLIC OFFERING OF UP TO TWENTY MILLION (20,000,000) UNITS OFFERED TO THE GENERAL PUBLIC AT THE OFFER PRICE OF LKR 50/- EACH

To: The Directors – National Asset Management Limited, 73, W. A. D. Ramanayake Mawatha, Colombo 02.

I/We, the undersigned hereby apply for and request you to allot to me/us a number of Units stated below on the above offer. The amount payable on application is remitted herewith. I/We hereby agree to accept the Units applied for or such smaller number as may be allotted to me/us, subject to the terms and conditions contained in the Explanatory Memorandum dated 07 September 2009 and the Trust Deed of the Fund. I/We authorize you to procure my/our names(s) to be placed on the Register of Members of NAMAL Acuity Value Fund for such number of Units that may be allotted on the basis of acceptance by the Managing Company.

NUMBER OF UNITS								PRICE PER UNIT	AMOUNT TO BE PAID (LKR) CALCULATED BY MULTIPLYING THE PRICE BY THE NUMBER OF UNITS									
								Rs. 50/-										

MODE OF PAYMENT (Please (√) as appropriate)		CHEQUE		BANK DRAFT		GUARANTEE	
CHEQUE/BANK DRAFT/ GUARANTEE DETAILS	NAME OF BANK	BANK BRANCH			CHEQUE / BANK DRAFT / GUARANTEE NUMBER		

SOLE/FIRST APPLICANT

STATUS (MR/MRS/MISS/OTHER)										
SURNAME WITH INITIALS / NAME OF CORPORATE BODY										
Other Names (AS DENOTED BY INITIALS)										
ADDRESS										
DISTRICT										
CONTACT TELEPHONE NUMBER										
NIC /PASSPORT NO. / CO.REG.NO										
NATIONALITY (Please (√) as appropriate)	SRI LANKAN					OTHER				
RESIDENCY IN SRI LANKA (Please (√) as appropriate)	RESIDENT					NON - RESIDENT				

1ST JOINT APPLICANT

STATUS (MR/MRS/MISS/OTHER)										
SURNAME WITH INITIALS / NAME OF CORPORATE BODY										
Other Names (AS DENOTED BY INITIALS)										
ADDRESS										
DISTRICT										
CONTACT TELEPHONE NUMBER										
NIC /PASSPORT NO. / CO.REG.NO										
NATIONALITY (Please (√) as appropriate)	SRI LANKAN					OTHER				
RESIDENCY IN SRI LANKA (Please (√) as appropriate)	RESIDENT					NON - RESIDENT				

NAME & ADDRESS OF FINANCIER (MARGIN TRADING ONLY)										
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CDS A/C No. (For Direct Deposit Only)

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To be completed by resident Sri Lankan Citizens and Corporate Bodies incorporated in Sri Lanka in terms of Section 15 of the Exchange Control Act

I/We being the Applicants(s) of the above mentioned security/securities hereby declare that:

(a) I/We am/are not resident outside Sri Lanka.

(b) I/We am/are not acting as nominee/nominees of any person (s) resident outside Sri Lanka

Signature (s)
Of Applicant (s)

(Sole Applicant)

(1st joint Holder)

I/We have read and understood the Explanatory memorandum pertaining to the Units that may be issued pursuant to this Application Form and terms and conditions set out herein. I/We hereby agree to accept and to be bound by the provisions of the Trust Deed as amended from time to time.

SIGNATURE (S) OF APPLICANT (S)

	SOLE/FIRST APPLICANT	1ST JOINT APPLICANT
Signature (s)		
Date		

INSTRUCTIONS

1. Application must be completed in FULL in CAPITAL LETTERS.
2. Please tick (✓) in the boxes appropriate to you.
3. Payment should be calculated by multiplying the number of units applied for by the price.
4. Applications must be made for a minimum of 200 units and in multiples of 200 units thereof. Applications for less than 200 units and/or for a number that is not in multiples of 200 units will be rejected immediately at the outset.
5. Applications will NOT be accepted from individuals under the age of 18 years or in the names of sole proprietorships, partnerships, unincorporated trusts or non-corporate bodies.
6. If the ownership of units is desired in the name of one individual, full details should be given only under the heading, SOLE/FIRST APPLICANT. In the case of joint applicants the signatures and particulars in respect of the applicants must be given under the relevant headings.
7. Joint Applicants should note that all parties should be residents of Sri Lanka. An applicant of a joint application shall not apply through a separate application either individually or jointly. Only one application will be accepted on behalf of a person or corporate body. Multiple applications will be rejected.
8. Applications must be made on this form. Exact size photocopies of this form may also be used.
9. In the case of applications made under Power of Attorney, a copy of the original Power of Attorney certified by a Notary Public should accompany such applications to be lodged with the Registrars to the Issue. The original should not be attached.
10. In the case of a Corporate Applicant, the Common Seal of the Company should be affixed and attested as required by the Articles of Associations / constitutional documents of such applicants.
11. A Sri Lankan citizen must state his/her National Identity card (NIC) Number. In the case of corporate entities the Company Registration Number must be given. A Sri Lankan citizen can state the Passport Number only when the NIC Number is not available provided that such applicants lodge their shares directly with the CDS. Any Application Form, which does not state the NIC, passport, or company registration number as the case may be, will be strictly rejected.
12. An applicant should state his/her account number maintained with the CDS, if he/she wishes to lodge the units directly to his/her CDS A/c. In such a situation a definitive unit certificate will not be issued for the units allotted and the units will be directly deposited in his/her CDS account.
13. Applicants who wish to apply through their Margin Trading Account should submit the Application in the name of the "Margin Provider/Applicants Name" signed by the margin provider. If the applicant wants the units to be uploaded to the CDS Margin Trading Account the relevant CDS Account number relating to the Margin Trading Account should be indicated in the space provided in the Application Form.
14. A copy of the Margin Trading Agreement must be submitted along with the application.
15. A Margin Provider can apply under its own name and such applications will not be construed as multiple applications.

Mode of Remittance

Remittance should be made separately in respect of each application by way of Cheque, Bank draft or Bank Guarantee. Applications with two or more cheques/bank drafts or bank guarantees will be rejected. Cheques or bank drafts should be drawn upon any commercial bank in Sri Lanka and crossed "Account Payee Only" and made payable to "NAMAL ACUITY VALUE FUND – INITIAL PUBLIC OFFERING". The bank guarantees should be payable on demand, issued in favour of "NAMAL ACUITY VALUE FUND – INITIAL PUBLIC OFFERING" and should be in a manner acceptable to the Managing Company. Payment for applications for values above LKR 100,000,000 should only be supported by a bank guarantee.

Forwarding completed Applications

The application form duly completed together with the remittance for the full amount payable should be dispatched by post or delivered by hand in an envelope addressed to

REGISTRARS TO THE OFFERING, National Asset Management Limited (NAMAL) 73, W. A. D. Ramanayake Mawatha, Colombo 02, Sri Lanka and marked "NAMAL ACUITY VALUE FUND – INITIAL PUBLIC OFFERING" on the top left – hand corner. Completed applications could also be handed over or mailed to the Managing Company, Sponsors, and Bankers to the Offering and their branches, CSE members or trading members and/or other collection points given in the Explanatory Memorandum.

PLEASE REFER EXPLANATORY MEMORANDUM FOR DETAILS. APPLICATIONS WHICH ARE NOT IN ACCORDANCE WITH THE ABOVE INSTRUCTIONS WILL BE REJECTED.