

# PROSPECTUS

## GBTI MUTUAL FUNDS

Date of Prospectus:

April 30, 2018



G\$ INCOME AND GROWTH FUND  
US\$ INCOME AND GROWTH FUND  
G\$ GROWTH AND INCOME FUND

A Copy of this Prospectus has been delivered to the Guyana Securities Council for approval in accordance to the Securities Industry (Prospectus Regulations).

The Guyana Securities Council has not in any way evaluated the merits of the securities offered hereunder and any representation to the contrary is an offence.

**GUYANA BANK FOR TRADE AND INDUSTRY LIMITED**  
**High & Young Streets**  
**Kingston, Georgetown**  
**Guyana**  
**592-231-4400-8**

# **GUYANA BANK FOR TRADE AND INDUSTRY LIMITED**

## **GBTI MUTUAL FUNDS**

**G\$ INCOME AND GROWTH FUND**  
**US\$ INCOME AND GROWTH FUND**  
**G\$ GROWTH & INCOME FUND**

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**This prospectus has been drawn up in accordance with The Securities Industry (Prospectus) Regulations made under sections 126(1) and 126(7).**

**This prospectus has been seen and approved by the Directors of the Fund Sponsor and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading.**

## **DEFINITIONS**

For purposes of this Prospectus, the listed Definitions will have the following meanings:

<b>Accounting Date</b>	30 <sup>th</sup> September in each year beginning on 30 <sup>th</sup> September 2018 until termination of the Funds or such other date in each year as the Trustees may from time to time determine and notify the Unitholder;
<b>Auditors</b>	TSD LAL & Co. – Chartered Accountants, an Independent Correspondent Firm of Deloitte Touché Tohmatsu
<b>Business Day</b>	Any day, other than a Saturday or Sunday that is not a legal holiday in Guyana or a day on which banks are generally authorized or obliged by law or regulation to close in Guyana
<b>Class of Units</b>	The Funds have three classes of units A, B and C
<b>Collective Investment Scheme</b>	A scheme under which the property of the scheme is held in trust for the unitholders and belongs beneficially to the unitholders and is managed on their behalf by a manager. The rights of the unitholder are represented by units in the scheme.
<b>Council</b>	the Guyana Securities Council
<b>Dealer/ Agent</b>	Anyone authorised by the Trustees to distribute units of the Funds
<b>Directors</b>	Directors of Guyana Bank for Trade and Industry Ltd.
<b>Fund or Funds</b>	The Funds offered by this Prospectus
<b>Investment Adviser</b>	Guyana Americas Merchant Bank Inc.
<b>Open Ended Mutual Fund</b>	A collective investment scheme which issues an unlimited number of units for an unlimited time period and sells or redeems units on any business day directly to potential unitholders or unitholders
<b>NAV</b>	Net Asset Value (being the net value of the assets of the funds)
<b>Manager</b>	Guyana Bank for Trade & Industry Ltd.
<b>Registrar</b>	Guyana Americas Merchant Bank Inc.
<b>Sponsor</b>	Guyana Bank for Trade & Industry Ltd.
<b>Trading Day</b>	Any Monday that the Guyana Stock Exchange is open for trading. If Monday is a holiday then the next trading day is Wednesday.
<b>Trustees</b>	Mr. Hewley Nelson and Mr. Dane Gobin

<b>GD/ G\$</b>	Guyana Dollars
<b>Units</b>	Units of a fund.
<b>Unitholder</b>	A person for the time being entered on the Register as the holder of a Unit
<b>USD/ US\$</b>	United States Dollars
<b>Valuation Day</b>	Any Trading Day or any other business day the Guyana Stock Exchange is open for trading.

## ORGANIZATION AND MANAGEMENT OF THE GBTI MUTUAL FUNDS

<u>ROLE/ FUNCTION</u>	<u>MAJOR RESPONSIBILITIES</u>
<p><b>SPONSOR</b> Guyana Bank of Trade &amp; Industry Ltd. High &amp; Young Streets, Kingston, Georgetown</p>	<p>The Sponsor appoints The Trustees and The Investment Adviser of the Funds. The Sponsor also performs the function of a promoter by providing the necessary seed capital to start the Funds. The Sponsor arranges the launch of the Mutual Funds after registration and receipting of the Funds' prospectus is received from the Guyana Securities Council.</p>
<p><b>MANAGER</b> Guyana Bank of Trade &amp; Industry Ltd. High &amp; Young Streets, Kingston, Georgetown</p>	<p>The Manager is responsible for the business and affairs of the Funds, providing or arranging for fund accounting and administrative services and promoting sales of the Funds' units.</p> <p>In this capacity the Manager will perform or will arrange for the performance of the administrative services (other than investment advice and related portfolio activities) necessary to carry out the daily operation of the Funds. These include but are not limited to maintaining the accounts, books and records of the Fund, providing reports and other documents required by the Guyana Securities Council and providing the Funds with administrative office facilities and other Administrative Services.</p>
<p><b>TRUSTEES</b></p>	<p>The Funds are organized as trusts. When you invest in a Fund, you're buying units of a trust. The Trustees ensure that all securities of the Funds are held on behalf of Unitholders. The Trustees have a fiduciary responsibility to the unitholders of the Funds and will ensure that the rights of the unitholders are in no way infringed. The Trustees are Mr. Hewley Nelson and Mr. Dane Gobin.</p>
<p><b>INVESTMENT ADVISER</b> Guyana Americas Merchant Bank Inc. High &amp; Young Streets, Kingston, Georgetown</p>	<p>GUYAM is the investment adviser for each Fund. The investment adviser manages the investment portfolio of a Fund by making day-to-day investment decisions and carrying out other related portfolio activities. These will include the purchase and sale of the Fund's assets and the general management of the Fund's investments in accordance with the stated objectives and policies of the Funds.</p> <p>Sub-advisers may also be hired by the Trustees from time to time to provide investment advice for certain Funds. The investment adviser is responsible for all investment advice provided to the Funds.</p>
<p><b>REGISTRAR</b> Guyana Americas Merchant Bank Inc. High &amp; Young Streets, Kingston, Georgetown</p>	<p>The registrar makes arrangements to keep records of the owners of units of each of the Funds, process purchase, transfer and redemption orders and issues unitholders account statements.</p>
<p><b>AUDITOR</b> TSD LAL &amp; Co. Chartered Accountants</p>	<p>The auditor performs the required audit of the annual financial statements for the Funds. Although you will not approve any change of the auditor, you will receive written notice of any proposed change of the auditor at least 60 days prior to the change.</p>
<p><b>LAWYER</b> Luckhoo &amp; Luckhoo Attorneys –at- Law Whitehall Lot 1 Croal Street Georgetown</p>	<p>The lawyer provides any legal advice the Funds may require from time to time. Although you will not approve any change of the lawyer, you will receive written notice of any proposed change of the lawyer at least 60 days prior to the change.</p>

## **BACKGROUND AND HISTORY OF GUYANA BANK FOR TRADE and INDUSTRY LIMITED.**

Guyana Bank for Trade and Industry Limited has a successful history of over 180 years in Guyana's Banking industry. It began with the establishment of the first commercial bank in British Guiana, the Colonial Bank, in May 1836, continuing with the operations of Barclays PLC.

In 1987 the assets and liabilities of Barclays PLC were acquired by the Government of Guyana and renamed Guyana Bank for Trade and Industry Limited (GBTI). Our doors were opened to the public on 1<sup>st</sup> December 1987. In January 1990 GBTI merged with Republic Bank (Guyana) Limited, formerly Chase Manhattan Bank N.A, and in 1991 the Bank was privatized. GBTI has over 1,800 shareholders. The majority shareholder of GBTI is Secure International Finance Company Inc. with 61% of the issued shares.

Today, GBTI provides an extensive range of services to its corporate and individual clients through its twelve (12) countrywide branch network. These services include personal savings, business and investment accounts; personal, housing and business financing; GBTI Local currency Credit Cards and VISA International Credit Cards.

GBTI also provides other services such as Online Banking and Debit and Prepaid Cards; a countrywide network of ATMs and Point of Sale Terminals; money transfer, letters of credit, bills collection and discounting and pre-export trade financing.

## **BACKGROUND AND HISTORY OF GUYANA AMERICAS MERCHANT BANK INC.**

Guyana Americas Merchant Bank Inc. ("GuyAm Bank") is licensed by the Bank of Guyana under the Financial Institutions Act 1995 to carry on non-depository financial business and is also registered as a Securities Company with the Guyana Securities Council to conduct business as a Broker, Dealer, Investment Adviser and Underwriter under Section 47(2) of the Securities Industry Act 1998. GuyAm Bank is also registered as a member of the Guyana Association of Securities Companies and Intermediaries Inc. (the Guyana Stock Exchange) under Section 47(1) of the Securities Industry Act.

GuyAm Bank engages in the provision of the following financial services:

- Securities Brokerage;
- Securities Distribution;
- Investment Advice;
- Underwriter;
- Investment Management;
- Investment Research;

Guyana Americas Merchant Bank Inc. (GuyAm Bank) is a wholly owned subsidiary of Guyana Bank for Trade & Industry Ltd and Secure International.



GuyAm Bank also offers fully integrated financial support services which include administration, record keeping, compliance, and reporting. These services are tailored to satisfy all regulatory, operational and individual investor requirements in Guyana.

## **INVESTOR WARNING**

- 1. Important- if you are in any doubt about the contents of this Prospectus, you are advised to consult your Stockbroker, Bank Manager, Accountant or investment Adviser.**
- 2. Investments in these Funds are not deposits or obligations of, or guaranteed by, Guyana Bank for Trade and Industry Limited or any other bank and are not insured or guaranteed by any Government Agency.**
- 3. Unit prices of these Funds may rise or fall thereby causing the value of your initial investment to decrease or increase in value. If unit prices fall, the value of your investment will decrease. If unit prices rise, the value of your investment will increase.**

**This prospectus was created in its entirety by Mr. Richard Isava, Managing Director of Guyana Americas Merchant Bank located at GBTI Corporate Office, High and Young Streets, Kingston, Georgetown.**

## **CERTIFICATION OF THE DIRECTORS**

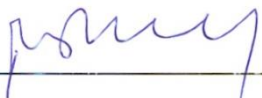
This prospectus has been seen and approved by the Directors of the Sponsor, Guyana Bank for Trade and Industry Limited and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement herein false or misleading.

### **Guyana Bank for Trade and Industry Limited.**

The Directors of the Guyana Bank for Trade and Industry Limited whose names appear below are responsible for the information contained in this Prospectus.

### **BOARD OF DIRECTORS**

**Mr. Robin Stoby, S.C. (Chairman)**



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**Mr. Edward A. Beharry (Director)**



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**Mr. Suresh E. Beharry (Director)**



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**Mr. Carlton James (Director)**




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**Mr. Richard Isava (Executive Director)**



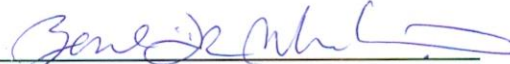
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**Mrs. Kathryn Eytel-McLean (Director)**



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**Mr. Basil Mahadeo (Director)**



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**Ms. Shaleeza Shaw (Corporate Secretary)**



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## **WHAT IS A MUTUAL FUND?**

A mutual fund is a pool of money invested by people with similar investment objectives. People who invest money become unitholders of the mutual fund ("Unitholders"). Unitholders share the mutual fund's income, expenses, and any gains or losses the mutual fund makes on its investments in proportion to the number of the units they own.

The value of an investment in a mutual fund is realised by redeeming the units held. Where a mutual fund issues more than one class, Unitholders share in the mutual fund's income, expenses and any gains and losses allocated to the Unitholders' class generally in proportion to the units they own as of that date.

## **WHAT ARE THE RISKS OF INVESTING IN A MUTUAL FUND?**

Mutual funds own different types of investments, such as stocks, bonds, treasury bills, cash and/or derivatives, depending upon the investment objectives of the particular mutual fund. The value of these investments will change from day to day, reflecting changes in interest rates, economic conditions, and market and company news. As a result, the value of a mutual fund's units may go up or down on a daily basis, and the value of your investment in a mutual fund may be more or less when you redeem it than when you purchased it.

The Bank does not guarantee that the amount of your original investment in any of the Funds will be returned to you. Unlike bank accounts or bank deposits, mutual funds are not covered government deposit insurers and don't have any guarantees.

## **RISK FACTORS**

### **GENERAL**

Potential investors should be aware that the value of units and the income generated from the Funds, in common with other units, will fluctuate. There is no assurance that the investment objective of the Funds will be actually achieved. Values of underlying Investments may also fluctuate markedly. Accordingly, these units are only suitable for investment by investors who understand the risk involved and who are able and willing to withstand substantial deterioration in the value of their investment and/or significant fluctuations in the income earned on their investment.

Set out below are certain factors that should be taken into consideration before making a decision to subscribe for units in these Funds. While the Directors believe the following to be comprehensive, it is not intended to include all of the factors relating to the risks that may be encountered. All investors should read this entire prospectus before deciding whether this investment is right for them.

## **INVESTMENT RISK**

There can be no assurance that the funds will achieve its investment objectives. An investment in the funds involves investment risks, including possible loss of the amount invested. The capital return of the funds is based on the capital appreciation and income on the investments it holds, less expenses incurred. Therefore, the fund's return and the value of your units will fluctuate from day to day and may increase or decrease from the original value you invested.

## **EQUITY RISK**

The value of a mutual fund that invests in equity securities (which includes stocks or shares) will be affected by changes in the market price of those securities. The price of an equity security is affected by individual company developments and by general economic and financial conditions in those countries where the company is located or carries on business or where the security is listed for trading.

## **FIXED-INCOME RISK**

Fixed-income securities are subject to risks resulting from changes in interest rates and from credit risk. When interest rates fall, bond prices rise because existing bonds pay higher rates than newly issued ones, and are therefore worth more. When interest rates rise, bond prices fall, and so will the unit value of mutual funds that hold them. The income earned by mutual funds and the income paid by mutual funds to Unitholders are also affected by changes in interest rates.

## **CREDIT RISK**

Credit risk is the possibility that an issuer of a bond or other fixed-income investment may not be able to pay interest or to repay the principal at maturity. The risk of this occurring is greater with some issuers than with others. For example, the risk of default is generally low for government and high quality corporate securities. Where the risk is considered greater, the interest rate paid by the issuer is generally higher than for an issuer where the risk is considered to be lower.

## **CLASS RISK**

Each Fund offers three or more classes of units. Each class has its own fees and expenses, which each Fund tracks separately. If the expenses of one class cannot be paid using that class' proportionate share of the Fund's assets, the Fund will be required to pay these expenses out of the other classes' proportionate share of the Fund's assets. This could lower the investment return of the other classes.

## **DEFAULT RISK**

A debt issuer may fail to pay interest or principal promptly when due. This risk is typically associated with bonds that carry a below investment grade rating. The value of Funds that hold such securities may decline as a result.

## **FOREIGN CURRENCY RISK**

The value of GBTI mutual fund's investments in foreign securities is affected by changes in the value of the Guyanese dollar relative to those foreign securities. When a Fund buys an investment priced in a foreign currency and the exchange rate between the Guyanese dollar and the foreign currency changes unfavourably, it could reduce the value of the Fund's investment. Of course, changes in the exchange rate can also increase the value of an investment.

## **EMERGING MARKETS RISKS**

A portion of the net asset value of the Fund may be exposed to emerging market equities and additional risks may be encountered in relation to that portion of the net asset value of the fund exposed indirectly to emerging market equities. These additional risks include:

- **Currency Risk:** the currencies in which investments are denominated may be unstable, may be subject to significant depreciation and may not be freely convertible.
- **Country Risk:** the value of the Fund's assets may be affected by political, legal, economic and fiscal uncertainties within the emerging markets. Existing laws and regulations may not be consistently applied.
- **Market Characteristics:** the emerging markets which are still in the early stages of their development, have less volume, are less liquid and experience greater volatility than more established markets and are not highly regulated. Settlement of transactions may be subject to delay and administrative uncertainties.

Disclosure: less complete and reliable fiscal and other information may be available to investors and accounting standards may not provide the same degree of shareholder protection as would generally apply internationally.

## **DOCUMENTS AVAILABLE FOR INSPECTION**

Investors can inspect The Deed of Trust, Investment Adviser Agreement, Manager Agreement and Trustees Services and Fees Agreement during regular business hours, 8.00am to 4.30pm Monday to Thursday and 8.00am to 3.30pm on Fridays at the office of:

### **Guyana Americas Merchant Bank Inc.**

GBTI Corporate Office  
High & Young Streets  
Kingston, Georgetown

592-223-5193/4  
gambi@networksgy.com

## **INFORMATION SUMMARY**

**This Prospectus has been filed with the Guyana Securities Council (GSC) and a receipt has been issued by the GSC for the purpose of giving information to the public.**

This Prospectus contains important information which will assist you in making an informed decision about investing in the Funds and help you understand your rights as an investor in the Funds. This summary also provides relevant information about Guyana Americas Merchant Bank Inc. and the Funds. Investors are advised to read the entire prospectus before deciding whether to invest.

No dealer, salesman or other person is authorised to give any information or to make any representations other than those contained in this Prospectus, and if given or made, such information or representations may not be relied upon as having been authorised by the Trustees or the Manager.

The information provided in this prospectus should not be construed as an offering or solicitation to sell in any jurisdiction to any person to whom it is unlawful to make such an invitation or solicitation in such jurisdiction. None of the information contained herein has been approved in any jurisdiction other than in Guyana.

For your information and protection, we advise that Units in the Funds are investments at the sole risk of the investor. They are not deposits and, in common with other investments of this nature, are not guaranteed by the **Bank of Guyana, Guyana Bank for Trade & Industry or Guyana Americas Merchant Bank Inc. or any other Financial Institution.**

All investments in the Funds are subject to fluctuations in the market value of its underlying assets, and payments of capital and interest are entirely dependent on the gains or losses derived from the securities and other assets making up the Funds.

**There is no assurance that the Fund's Investment Objective will be achieved and investors may not receive the amount originally invested in the Funds.**

## **THE PRICE OF A UNIT**

The net asset value (NAV) per Unit of each Fund is calculated as at the close of business on the Trading day in Guyana. If the trading day is a holiday then the NAV per unit will be calculated on the next trading day. The trading day in Guyana is Monday. If Monday is a holiday then the next trading day is Wednesday.

A separate NAV per Unit for each class of Units of each Fund is calculated by or under the authority of the Trustees based on the market value of its proportionate share of the assets of the Funds, less any liabilities of the Funds allocated to that class of Units, divided by the total number of Units of that class held by the Funds investors. The net asset value per Unit will fluctuate as the value of the Fund's investments increase or decrease.

For U.S. dollar pricing purposes, the net asset value per Unit of each Fund is computed by converting the Guyanese dollar value to U.S. dollars based on the current rate of exchange. The net asset value of the US Income and Growth Fund is calculated in U.S. dollars.

If the Funds receive your order for a subscription, switch, change or redemption of Units before 12:00 noon on a Trading day and all required monies (cleared funds) and documents are received in good order, the order will be processed at the applicable net asset value per unit calculated on that day. Orders received after 12:00 noon on a trading day or on a day, which is not a trading day, will be processed on the following Trading day at the applicable NAV per unit calculated on that day.

## **CLASSES OF UNITS**

There are three classes units related to the Funds: Class A, Class B and Class C.

The difference in the various classes relates to the fee structure applicable to each class which is fully described below.

### **Class A Units**

- Initial Sales Charge

Class A Units will be offered at the applicable net asset value per unit, plus an initial sales charge of up to 2% which may be waived in whole or in part by the Trustees. The balance of the amount invested will then be applied to the purchase of units in the relevant Fund.

- Trailer Commissions

A trailer commission of up to .5% per annum of the applicable net asset value is deducted and paid to the Dealer/Agent by the applicable Fund, in order to compensate the Agent for any expenses incurred in connection with unitholders liaison and administration of units. This charge is accrued daily and is deducted and paid monthly to the Agent.

The following trailer commissions apply to Class A units of the different funds:

- |                                       |   |
|---------------------------------------|---|
| - <b>G\$ Income and Growth Fund</b>   | up to 0.20% of the applicable net asset value |
| - <b>US\$ Income and Growth Fund</b>  | up to 0.20% of the applicable net asset value |
| - <b>G\$ Growth &amp; Income Fund</b> | up to 0.50% of the applicable net asset value |

### **Class B Units**

- Initial Sales Charge

Class B Units will be offered at the applicable net asset value per unit. Class B units are not subject to an initial sales charge. Your entire investment is invested in units.

### **Deferred Sales Charge**

Class B units are subject to a Deferred Sales Charge (DSC) if the investor redeems units within five years of purchase. If any **Class B units** are redeemed or switched into Class A or Class C units there will be a declining DSC, as follows:

<b>If redeemed or switched during the following periods after purchase</b>	<b>Percentage of the Net Asset Value at the time of Redemption or switch</b>
1 <sup>st</sup> Year	4.0%
2 <sup>nd</sup> Year	3.0%
3 <sup>rd</sup> Year	2.0%
4 <sup>th</sup> Year	1.0%
Thereafter	0.0%

### **Class B units are not subject to Trailer Commissions**

### **Class C Units**

- Initial Sales Charge

Class C Units will be offered at the applicable net asset value. Class C units are not subject to an initial sales charge. Your entire investment is invested in units.

- Deferred Sales Charge

Class C units are not subject to a Deferred Sales Charge (DSC) and Trailer Commissions.

### **ADDITIONAL CLASSES OF UNITS**

The Trustees reserves the right to issue additional classes of units. Each Fund may have an unlimited number of classes of units and may issue an unlimited number of units of each class.

## **INVESTMENT OBJECTIVES**

### **The G\$ Income and Growth Fund**

The primary investment objective of the fund is to earn high income and provide capital preservation. The Fund also seeks to generate capital appreciation. The Investment Adviser will seek to achieve these objectives by investing in a range of investment grade and non-investment grade debt securities and equity securities which will be denominated in G\$, however other foreign currencies such as US\$, Euros, Sterling, BDS, and TT\$ will be included.

The Investment Adviser may invest up to **50%** of the Fund's assets in shares of companies traded on the Guyana Stock exchange, other Caribbean Stock Exchanges and other recognised Stock exchanges. The Fund may invest up to **90%** of the Fund's assets in a range of investment grade and non-investment grade debt securities issued in Guyana, other Caribbean countries, countries in Central and South America, North America and Europe.

**Unitholders approval is required before any changes can be made to this investment objective.**



### **The US\$ Income and Growth Fund**

The primary investment objective of the fund is to earn high income and provide capital preservation. The Fund also seeks to generate capital appreciation. The Investment Adviser will seek to achieve this objective by investing in a range of investment grade and non-investment grade debt securities and equity securities which will be primarily denominated in US\$, however other currencies such as G\$, TT\$, BDS, Euros and Sterling may be included.

The Investment Adviser may invest up to **50%** of the Fund's assets in shares of companies traded or listed on the Guyana Stock exchange, other Caribbean Stock Exchanges and other recognised Stock exchanges. The Fund may invest up to **90%** of the Fund's assets in a range of investment grade and non-investment grade debt securities issued in Guyana, other Caribbean countries, countries in Central and South America, North America and Europe.

**Unitholder approval is required before any changes can be made to this investment objective.**

### **The G\$ Growth and Income Fund**

The primary investment objective of the fund is to achieve long term capital appreciation. The Fund also seeks to generate income for its unitholders. The Investment Adviser may invest up to **90%** of the Fund's assets in shares of companies traded on the Guyana Stock Exchange, other Caribbean Stock Exchanges and other recognised Stock exchanges. The Investment Adviser may invest up to **50%** of the Fund's assets in a range of investment grade and non-investment grade debt securities issued in Guyana, other Caribbean countries and countries in Central and South America, North America and Europe.

**Unitholder approval is required before any changes can be made to this investment objective.**

For purposes of the Funds' investment objectives, Caribbean countries include but are not limited to the following countries, Aruba, Bahamas, Barbados, Bermuda, Cayman Islands, Curacao, Dominican Republic, Grenada, Guyana, Jamaica, Trinidad and Tobago and Suriname.

For purposes of the Fund's investments, countries in the Central America and South America include but are not limited to the following: Brazil, Chile, Columbia, Costa Rica, Mexico, Panama and Peru.

For purposes of the Fund's investments, countries in North America include United States of America and Canada.

## **INVESTMENT STRATEGIES & RESTRICTIONS**

### **The G\$ Income and Growth Fund**

The Fund's portfolio will consist primarily of domestic and/or foreign investments of the following description:

- Corporate Bonds
- Government Bonds and other Government Debt Obligations

- Money Market Instruments
- Deposits with financial institutions
- Stocks or Shares
- Mortgages
- Securitised Mortgages and other debt Instruments
- Structured Notes
- Index Linked securities
- Other Securitized Instruments

#### Restrictions

- No more than 10% of the portfolio's assets may be invested in securities of any one corporate entity. Exceptions to the 10% rule are Caribbean governments or agencies of Caribbean governments, other Foreign Governments and guaranteed agencies.
- The fund will not hold more than 10% of the securities issued by any one corporate entity. Exceptions to the 10% rule are Caribbean governments or agencies of Caribbean governments, other Foreign Governments and guaranteed agencies and Index liked securities.

#### Annual Management Fees

Class A units up to 2.00% of the applicable net asset value  
 Class B units up to 2.00% of the applicable net asset value  
 Class C units up to 2.00% of the applicable net asset value

#### **The US\$ Income and Growth Fund**

The Fund's portfolio will consist primarily of domestic and/or foreign US\$ denominated investments of the following description:

- Corporate Bonds
- Government Bonds and other Government Debt Obligations
- Money Market Instruments
- Stocks or Shares
- Deposits with financial institutions
- Mortgages
- Securitised Mortgages and other debt Instruments
- Structured Notes
- Index linked Securities
- Other Securitized Instruments

#### Restrictions

- No more than 10% of the portfolio's assets may be invested in securities of any one corporate entity. Exceptions to the 10% rule are Caribbean governments or agencies of Caribbean governments, other Foreign Governments and guaranteed agencies.
- The fund will not hold more than 10% of the securities issued by any one corporate entity. Exceptions to the 10% rule are Caribbean governments or agencies of

Caribbean governments, other Foreign Governments and guaranteed agencies and Index linked securities.

#### Annual Management Fees

Class A units up to 2.00% of the applicable net asset value

Class B units up to 2.00% of the applicable net asset value

Class C units up to 2.00% of the applicable net asset value

#### **The G\$ Growth and Income Fund**

The Fund's portfolio will consist primarily of shares of companies located in Guyana, other Caribbean countries and North America and a range of international investment grade and non-investment grade debt and equity securities. These include but are not limited to:

- Shares in companies traded on the Guyana stock exchange
- Shares in companies listed on any Caribbean stock exchange
- Shares in companies listed on other recognised stock exchanges
- Corporate Bonds of companies located in Caribbean, North American, South American and Central American countries
- Government Bonds and other Government Debt Obligations of Caribbean, South American and Central American countries
- Money Market Instruments
- Deposits with financial institutions
- Mortgages
- Structured Notes
- Index Linked Securities
- Private equity investments

The Investment Adviser may use derivatives such as options and forward contracts to:

- Protect against losses from movements in stock markets, currency exchange rates or interest rates
- Gain indirect exposure to individual securities or markets instead of buying the securities directly.

#### Restrictions

- No more than 10% of the portfolio's assets may be invested in securities of any one corporate entity. Exceptions to the 10% rule are Caribbean governments or agencies of Caribbean governments, other Foreign Governments and guaranteed agencies.
- The fund will not hold more than 10% of the securities issued by any one corporate entity. Exceptions to the 10% rule are Caribbean governments or agencies of Caribbean governments, other Foreign Governments and guaranteed agencies.

### Annual Management Fees

Class A units up to 2.50% of the applicable net asset value  
Class B units up to 2.50% of the applicable net asset value  
Class C units up to 2.50% of the applicable net asset value

## **WHO SHOULD INVEST IN THE FUNDS?**

### **The G\$ Income and Growth Fund**

The Fund is suitable for investors:

- seeking current income and capital preservation in G\$
- Who have an investment horizon of at least three years and who are willing to accept moderate to high investment risk
- planning to hold for the medium term to long term

### **The US\$ Income and Growth Fund**

The Fund is suitable for investors:

- seeking current income and capital preservation in US\$
- Who have an investment horizon of at least three years and who are willing to accept moderate to high investment risk
- planning to hold for the medium term to long term

### **The G\$ Growth & Income Fund**

The Fund is suitable for investors:

- seeking capital appreciation and Income
- who have an investment horizon of at least five years or longer and who are willing to accept high investment risk
- planning to hold for the long term

## **BORROWING POWERS**

The Trustees has established the following borrowing powers:

- Borrowing will be restricted to 5% of the Net Asset Value of the Fund
- The Funds will not make loans.
- Neither derivative transactions nor forward currency contracts may be entered into for speculative purposes.
- No securities that are subject to restrictive legal or contractual obligations on resale may be acquired

Potential risks and results of borrowing:

- The Fund may not be able to sell assets held as collateral
- Interest charged to the Fund for borrowing will increase fund expenses

## **VALUATION OF THE FUNDS**

The Net Asset Value of each Fund will be determined as at the close of business in Guyana on each Monday (or Wednesday if Monday is a public holiday) during the calendar year in accordance with this prospectus, which provides that:

- (i) the total value of all cash on hand, on loan, on deposit or on call, bills, demand notes, accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received shall be deemed to be the full amount thereof unless the Investment Adviser shall have determined that any such deposit, bill, demand note or account receivable is not worth the full amount thereof in which event the value shall be deemed to be such value as the Trustees consider to be the reasonable value;
- (ii) except in the case of any interest in a managed fund to which paragraph (iii) applies and subject as provided in paragraphs (iv) and (v) below, all calculations based on the value of investments quoted, listed, traded or dealt in on any stock exchange, commodities exchange, futures exchange or over-the-counter market shall be made by reference to the last traded price (or, lacking any sales, at the mean between the last available bid and asked prices) on the principal stock exchange for such investments as at the close of business in such place on the day as of which such calculation is to be made. Where there is no stock exchange, commodities exchange, futures exchange or over-the-counter market all calculations based on the value of investments quoted by any person, firm or institution making a market in that investment (and if there shall be more than one such market maker then such particular market maker as the Trustees may designate) shall be made by reference to the mean of the latest bid and asked price quoted thereon, provided always that if the Trustees in their discretion consider that the prices ruling on a stock exchange other than the principal stock exchange provide in all the circumstances a fairer criterion of value in relation to any such investment, they may adopt such prices;
- (iii) subject as provided in paragraph (iv) and (v) below, the value of each interest in any open-ended unit trust or corporation, open-ended investment company or other similar open-ended investment vehicle (a "managed fund") shall be the last published Net Asset Value per unit, share or other interest in such managed fund (where available) or (if the same is not available) a price calculated by aggregating the last published bid price and the last published offer price thereof (excluding any preliminary or initial charge included in such offer price) and dividing the result by two.
- (iv) if no Net Asset Value, bid and offer prices or price quotations are available as provided in paragraphs (ii) or (iii) above, the value of the relevant asset shall be determined from time to time in such manner as the Trustees shall determine;
- (v) The Trustees may also, at their absolute discretion, permit some other method of valuation to be used if they consider that such valuation better reflects the fair value of the Funds' assets.

If the Trustees decide that the Funds shall issue further classes of units it is possible that the method of calculating the net asset value may differ for those other classes or series of units.

## **EXPENSES & NET PROCEEDS**

### **EXPENSES AND FEES**

#### **G\$ Income and Growth Fund**

**The Management Fee** will not exceed 2.0% per annum of the average total assets of the G\$ Income and Growth Fund. The Management fee will accrue daily and will be paid monthly to the following service providers:

- Trustees Fee will not exceed .15% per annum of the average total assets of the G\$ Income Fund. The Trustees Fee will be divided equally among the three trustees.
- Manager Fee will not exceed .65% per annum of the average total assets of the G\$ Income Fund.
- Investment Adviser Fee will not exceed 1.20% per annum of the average total assets of the G\$ Income and Growth Fund.

#### **US\$ Income and Growth Fund**

**The Management Fee** will not exceed 2.0% per annum of the average total assets of the US\$ Income and Growth Fund. The Management fee will accrue daily and will be paid monthly to the following service providers:

- Trustees Fee will not exceed .15% per annum of the average total assets of the US\$ Income and Growth Fund. The Trustees Fee will be divided equally among the three trustees.
- Manager Fee will not exceed .65% per annum of the average total assets of the US\$ Income and Growth Fund.
- Investment Adviser Fee will not exceed 1.20% per annum of the average total asset of the US\$ Income and Growth Fund.

#### **G\$ Growth and Income Fund**

**The Management Fee** will not exceed 2.5% per annum of the average total assets of the G\$ Growth and Income Fund. The Management fee will accrue daily and will be paid monthly to the following service providers:

- Trustees Fee will not exceed .15% per annum of the average total assets of the G\$ Growth and Income Fund. The Trustees Fee will be divided equally among the three trustees.
- Manager Fee will not exceed .85% per annum of the average total assets of the G\$ Growth and Income Fund.
- Investment Adviser Fee will not exceed 1.5% per annum of the average total assets of the G\$ Growth and Income Fund.

**For Class A units of the G\$ Growth and Income Fund there is an initial sales charge of up to 2% which shall be added to the prevailing net asset value at the discretion of the Trustees.**

**For Class A units of the G\$ Income and Growth Fund and the US\$ Income and Growth Fund there is an initial sales charge of up to 2% which shall be added to the prevailing net asset value at the discretion of the Trustees.**

In addition, operational fees and expenses, including auditor's fees, legal fees, Marketing Costs and other administrative costs, will be incurred as the need arises. All applicable fees and expenses will be borne by the Fund.

Fees and expenses of the Fund are estimated by the Manager based on current contracts with all professional service providers.

It should be noted that the Trustees on the advice of the Investment Adviser may borrow on behalf of the Fund and any interest incurred shall be an expense of the Fund.

A Redemption Charge may also apply. (See how to redeem units page 26)

## **BROKERAGE FEES and COMMISSION**

The Trustees may from time to time pay brokerage fees and commission expenses out of the Assets of the Funds for services rendered in connection with the marketing and promotion of the Funds Units and for the buying and selling of securities for the Fund's portfolio.

## **BANK CHARGES**

You will be charged all bank charges levied by any bank or other financial institution for any of your cheques that are dishonored and returned to the Funds.

## **USE OF PROCEEDS**

The proceeds of this offering, minus payment of any operational expenses and fees will be invested by the Fund in an appropriate asset mix of investments in accordance with the objectives of the Fund.

## **DISTRIBUTION POLICY**

It is the intention of the Trustees to pay **quarterly** distributions to unitholders of the G\$ Income and Growth Fund and the US\$ Income and Growth Fund. Unitholders are allowed to reinvest their distribution in additional units at the net asset value on the date of reinvestment or take their distributions in cash.

Distributions will be paid **semi-annually** for the G\$ Growth & Income Fund and unitholders are allowed to reinvest their distributions in additional units at the net asset value on the date

of reinvestment or take their distributions in cash.

Distributions will be automatically reinvested in additional units unless otherwise requested by a Unitholder in writing.

Distributions may include interest, dividends and realised capital gains.

## **TERMS & CONDITIONS OF THE INITIAL OFFERING May 2<sup>nd</sup> 2018 to May 8<sup>th</sup> 2018.**

### **THE INITIAL OFFER**

#### **G\$ Income and Growth Fund**

The minimum initial subscription required is G\$100,000 for the G\$ Income and Growth Fund. After the Initial offer, the minimum acceptable subscription for the fund will be G\$25,000 for existing unitholders and new unitholders. This applies to **Class A and Class B units**.

The minimum initial subscription required for **Class C units** is G\$1,000,000 for the G\$ Income and Growth Fund. After the Initial offer, the minimum acceptable subscription for **Class C units** is G\$500,000 for existing unitholders and new unitholders.

#### **US\$ Income and Growth Fund**

The minimum initial subscription required is US\$500 for the US\$ Income and Growth Fund. After the Initial offer the minimum acceptable subscription is US\$100.00 for existing unitholders and new unitholders. This applies to **Class A and Class B units**.

The minimum initial subscription required for **Class C units** is US\$5,000 for the US\$ Income and Growth and Growth Fund. After the Initial offer the minimum acceptable subscription for **Class C units** is US\$5,000 for existing unitholders and new unitholders.

#### **G\$ Growth and Income Fund**

The minimum initial subscription required is G\$100,000 for the G\$ Growth & Income Fund. After the Initial offer, the minimum acceptable subscription for the funds will be G\$25,000 for existing unitholders and new unitholders. This applies to **Class A and Class B units**.

The minimum initial subscription required for **Class C units** is G\$1,000,000 for the Growth & Income Fund. After the Initial offer, the minimum acceptable subscription for **Class C units** is G\$500,000 for existing unitholders and new unitholders.

Applications will be received at the Guyana Americas Merchant Bank Inc. office in Kingston, Georgetown. Copies of the Prospectus, Application Forms and Redemption Forms may be obtained from this office.

The Manager reserves the right to refuse an application.



The initial price for the **G\$ Income and Growth Fund is G\$10.00**

After the initial offer period the unit price of the G\$ Income and Growth Fund will be the NAV per unit. The NAV will fluctuate based on the value of the underlying assets of the Fund. This means that the unit price of the G\$ Income and Growth Fund may rise or fall after the initial offer.

The initial price for the **US\$ Income and Growth Fund is US\$1.00**

After the initial offer period the unit price of the US\$ Income and Growth Fund will be the NAV per unit. The NAV will fluctuate based on the value of the underlying assets of the Fund. This means that the unit price of the US\$ Income and Growth Fund may rise or fall after the initial offer.

The initial price for the **G\$ Growth & Income Fund is G\$10.00**

After the initial offer period the unit price of the G\$ Growth & Income Fund will be the NAV per unit. The NAV will fluctuate based on the value of the underlying assets of the Fund. This means that the unit price of the G\$ Growth & Income Fund may rise or fall after the initial offer.

## **MINIMUM BALANCES**

Accounts with balances below G\$20,000 or US\$100 will be automatically closed and the net proceeds will be forwarded to the unitholder minus any fees or charges.

## **PUBLICATION OF PRICES**

The unit prices for the Funds will be published weekly in the local newspapers.

## **ELIGIBILITY**

Individuals of sound mind, over eighteen years of age and corporate entities can purchase units of the Fund.

## **JOINT INVESTORS**

Where units are jointly held (and/or), they are subject to the rules of joint tenancy. If either Unitholder dies, his or her units automatically pass to the surviving party. The Funds requires that all parties to the account must sign any redemption request made.

## **TERMINATION OF THE FUND**

At the date of termination as may be determined by the Trustees, the right of unitholders with respect to redemption shall cease. The Trustees shall sell all remaining assets in its possession and

such sale shall be carried out and completed in a manner and within a period as determined by the Investment Adviser. The Trustees shall be entitled to retain out of any monies in its hands payments for all debts, liabilities, fees or commissions outstanding. The Trustees will then distribute to investors pro rata to the number of units held by them respectively all net assets of the Funds available.

## **DESCRIPTION OF UNITS**

The Funds are open-ended Mutual Funds therefore each Fund may have an unlimited number of classes of units ("Units") and may issue an unlimited number of units of each class. Each Fund offers at least three classes of Units. **Units can be purchased at any Branch of Guyana Bank for Trade and Industry as well as the Guyana Americas Merchant Bank Inc.**

The Trustees reserves the right to refuse an application for units. Each unit secures an equal share in the distribution of net income and participates equally in all other respects. Units may be issued as fractions. Units must be paid for by G\$ or US\$ cheque, draft or wire transfer. Cheques and drafts will need to clear and wire transfers will need to be confirmed as being received by the Fund before any new units or fraction thereof, can be distributed to an investor's account.

## **HOW TO PURCHASE UNITS**

### **G\$ Income and Growth Fund**

After the initial offer period (May 2<sup>nd</sup> – 8<sup>th</sup>, 2018) Units in the G\$ Income and Growth Fund will be offered at the Net Asset Value per unit subject to a minimum subscription of G\$25,000.00. This applies only to **Class A and Class B units**.

After the initial offer **Class C units** in the G\$ Income and Growth Fund will be offered at the Net Asset Value per unit subject to a minimum subscription of G\$100,000.00.

### **US\$ Income and Growth Fund**

After the initial offer (May 2<sup>nd</sup> – 8<sup>th</sup>, 2018) Units in the US\$ Income and Growth Fund will be offered at the Net Asset Value per unit subject to a minimum subscription of US\$100.00. This applies only to **Class A and Class B units**.

After the initial offer **Class C Units** in the US\$ Income and Growth Fund will be offered at the Net Asset Value per unit subject to an initial minimum subscription of US\$1,000.00.

### **G\$ Growth and Income Fund**

After the initial offer period (May 2<sup>nd</sup> - 8<sup>th</sup>, 2018) Units in the G\$ Growth and Income Fund will be offered at the Net Asset Value per unit subject to a minimum subscription of G\$25,000.00. This applies only to **Class A and Class B units**.

After the initial offer **Class C Units** in the G\$ Growth and Income Fund will be offered at the Net Asset Value per unit subject to a minimum subscription of G\$100,000.00.

Only G\$ cash, cheque, draft or wire transfer will be accepted as the method of payment.

The acceptance of subscriptions is subject to confirmation of the prior receipt of cleared funds credited to the Fund's subscription account. This means that cheques and drafts will have to clear and wire transfers of money have to be confirmed as received by the Fund before a subscription is accepted and value is given to the Unitholder.

The Manager may accept or reject any application to purchase units; such a decision is to be made after five (5) working days after receipt of the application. If an application is rejected, all monies received with the application will be returned without interest within five (5) working days of this decision.

The subscription price for a unit is equal to the net asset value per unit which is calculated at the close of business on a Trading day next following receipt of an application for the subscription of units. If an application is received and approved and the necessary funds have been received and cleared before 12:00 noon on a Trading day, then the order will be processed that day using the net asset value for units as at that Trading day. Applications received after 12.00 noon on a Trading day or on a day, which is not a trading day, will be processed using the net asset value as determined on the next trading day.

## **HOW TO REDEEM (SELL) UNITS**

A Unitholder may redeem part of or all of their Units of the Funds owned by such Unitholder in accordance with the Deed of Trust at any time by delivering a Redemption Form to the Manager at any Branch of Guyana Bank of Trade and Industry as well as the Guyana Americas Merchant Bank Inc. office after which, the payment will be made to such investor after five (5) working days.

Units will be redeemed at their net asset value per unit as determined on the Trading day next following the day on which the Fund receives the redemption order. If a redemption order is received before 12:00 noon on a Trading day, the redemption will be processed on that Trading day. Redemption orders received after 12:00 noon on a Trading day or on a day, which is not a Trading day, will be processed on the next Trading day.

A redemption request made in respect of units held jointly must be signed by all parties to the account.

There is an **Early Redemption Charge of 2%** within the first 90 days after you have purchased your units of any Fund. Following the 90 day mark, the unit holder may withdraw freely from his/her account without incurring any penalty charge. This applies only to **Class A and Class C units**.

### **See page 15 for Deferred Sales Charges applied to Class B units**

You can redeem your units at any time, as long as the aggregate amount redeemed does not exceed G\$2,000,000 (or US\$ equivalent) or 1% of the total Net Asset Value, whichever is lower, of the respective Fund. If the amount requested for redemption exceeds G\$2,000,000 or 1% of the total net asset value of the Fund, The Trustees in their discretion will only process the portion

of the redemption request up to G\$2,000,000 or 1% of the total net asset value, whichever is lower, of the Fund. A new request will need to be submitted for further redemptions on subsequent days.

If the redemption request exceeds G\$2,000,000 or US\$10,000 or is to be paid to any person other than the owner of record or sent to an address other than the registered address, the request must be made in writing affixed with signature(s) of the unitholder/s.

## **INFORMATION YOU WILL RECEIVE**

When you make subscription or redemption, you will receive a subscription or redemption receipt indicating the price per Unit and the number and class of Units you purchased or redeemed. Similarly, at the time of any additional purchase, reinvestment of distributions, and transfer between funds, and reclassification to a different class of units or redemption of Units you will receive a contract note providing details of the transaction and a summary of the Units you hold.

You will also receive a quarterly statement showing the number and value of the units you hold. Additionally you will receive audited annual financial statements of the Funds and unaudited semi-annual financial statements of the Funds. These statements will include management reports of fund performance.

## **UNITHOLDERS RIGHTS**

### **VOTING RIGHTS**

Unitholders are entitled to receive notice of and attend all meetings of Unitholders of the Fund and vote at any such meeting except on the following matters: (1) Liquidation of the Fund; (2) Winding up of the Fund; or (3) Reconstruction of the Fund and or Amalgamation of the Fund with any mutual fund or collective investment trust or vehicle.

### **DISSOLUTION**

Upon liquidation, termination, dissolution or winding up of the Fund or other distribution of the assets of the Fund for the purpose of winding up its affairs, the right of investors with respect to redemption shall cease. The Trustees shall sell all remaining assets in its possession and such sale shall be carried out and completed in such a manner and within a period determined by the Investment Adviser. The Trustees shall be entitled to retain out of any monies in its hands payments for all debts, liabilities, fees or commissions outstanding. The Trustees will then distribute to investors pro rata to the number of units held by them respectively all net assets of the Fund available.

### **TAXATION**

Unitholders will receive income from the Funds in the form of a distribution (**see Distribution policy on page 24.**). Distributions may include interest, dividends and realised capital gains. You should consult your tax advisor for guidance on the tax treatment of this income.

**Neither GBTI, the Trustees, the Investment Adviser nor the Manager will accept responsibility for any tax liability or tax consequences to any Unitholder of their/its investment in units. All potential Unitholders should seek tax advice from professional sources on their specific circumstances prior to acquisition of units.**

## **PERFORMANCE DATA**

### **G\$ Income and Growth Fund**

Total annual returns for the G\$ Income and Growth Fund may be made up of interest income received from all interest bearing instruments. This income will be recognised on an accrual basis and will be distributed once received quarterly to the unit holders account net of expenses. Total annual returns will also include capital appreciation or capital depreciation of the Funds' equity investments.

### **US\$ Income Fund and Growth Fund**

Total annual returns for the US\$ Income and Growth Fund may be made up of interest income received from all interest bearing instruments. This income will be recognised on an accrual basis and will be distributed once received quarterly to the unit holders account net of expenses.

Total annual returns will also include capital appreciation or capital depreciation of the Funds' equity investments

### **G\$ Growth & Income Fund**

Total annual returns for the G\$ Growth & Income Fund may represent capital appreciation or capital depreciation of the Funds' equity and debt investments and net income distributed during the period. Net Income will be made up of interest income from all interest bearing instruments. This distributed income is recognised on an accrual basis and is distributed semi-annually to the unit holders account net of expenses.

Once available performance data will be published semiannually in the Unitholders report and quarterly in the local newspapers for all the Funds.

## **ACCOUNTING POLICIES**

Financial Statements will be prepared in conformity with generally accepted accounting principles using policies set out according to International Financial Reporting Standards (IFRS).

The year-end of the Fund is **September 30th**.

The Funds' Annual Audited financial statements will be published in the local daily newspapers within 90 days of the Fund's financial year-end. Quarterly unaudited financial statements will be published on the Bank's website.

Statements of the number of units held and their current earnings will be mailed to Unitholders on a quarterly basis.

## **AMENDMENT OF THE DEED OF TRUST & RULES**

The Deed of Trust may be amended by the Trustees in its absolute discretion. The Trustees must give notice of such amendment, alteration or addition to the unitholders and the Council within 60 days of such amendment, alteration or addition.