
PROSPECTUS

REPUBLIC MONEY MARKET FUND



Offering of Units
Dated: 20th March, 1998

The Securities and Exchange Commission has not in any way evaluated the merits of the security offered hereunder and any representation to the contrary is an offence.

Pursuant to Section 65 of the Securities Industry Act 1995 (SIA), this Prospectus has been filed with the Securities and Exchange Commission (SEC) and a receipt therefore has been issued by the Commission for the purpose of giving information to the public with regard to the Republic Money Market Fund.

The Directors of Republic Bank Limited whose names appear on page no. 4 are the persons responsible for the information contained in this Prospectus. To the best of the knowledge and belief of such Directors (who have all taken reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything which is likely to affect materially the import of such information. The Directors of Republic Bank Limited, accept responsibility accordingly.

TABLE OF CONTENTS

DIRECTORY

BOARD OF DIRECTORS

SUMMARY

INTRODUCTION

The Trust

INVESTMENT STRATEGY

Investment Objective and Policy

Investment Restrictions

Risk Disclosures

Modifications

TRUSTEE, ADVISER, MANAGER AND DISTRIBUTOR

DISTRIBUTION OF UNITS

Subscriptions

Payment for Units

Change of Information Notification Form

Redemption

Mandatory Redemption

Restrictions on Transfers

Determination of Net Asset Value per Unit

Certain Limitations on Liability

Termination

TAX CONSIDERATIONS

INCOME AND DISTRIBUTIONS

GENERAL INFORMATION

Documents for Inspection

Unitholders' Voting

Change of Situs

Fees

Trustee

Adviser

Manager

Distributor

DIRECTORY

- Sponsor/Promoter:** Republic Bank Limited
Republic House
9-17 Park Street
Port of Spain
Trinidad
- The Trustee:** Republic Finance and Merchant Bank
Limited
9-17 Park Street
P.O. Box 877
Port of Spain
Trinidad
- The Adviser:** Republic Bank Limited
Republic House
9-17 Park Street
Port of Spain
Trinidad
- The Manager:** Republic Bank Limited
Republic House
9-17 Park Street
Port of Spain
Trinidad
- The Distributor:** Republic Bank Limited
Republic House
9-17 Park Street
Port of Spain
Trinidad
- Legal Advisers to
the Trustee:** Pollonais, Blanc, de La Bastide & Jacelon
Pembroke Court
17-19 Pembroke Street
Port of Spain
Trinidad
- Auditors:** Messrs. Ernst & Young
53-55 Abercromby Street
P.O. Box 158
Port of Spain
Trinidad

**BOARD OF DIRECTORS OF FUND
SPONSOR REPUBLIC BANK LIMITED**

R. F. deC. Harford (Chairman and Managing Director)
F.C.I.B., F.I.B.A.F

D. J. Dulal-Whiteway (Deputy Managing Director)
B.Sc. (Mgmt. Studies), MBA, C.G.A.

W. Aguiton

B. S. Dulal-Whiteway C.A., F.C.C.A.

C. A. Jacelon S.C., LL.M.,A.C.I.
Arb., Notary Public

G. L. Lewis B.Sc (Petro.Eng.), M.S. (Petro. Eng.)

J. Martin C.A., F.C.A.

R. Martineau S.C., LL.M.

R. A. Rahaman

C. Sharma B.Sc (Elec.Eng), M.Sc. (Power & Systems),
Ph.D. (Elec. & Comp. Eng.)

B. Tewarie BA, MA, Ph.D.

G.I. Thomson B.Sc. (Math & Physics), MBA

M. Thorpe Ph.D.

Directors may be contacted through the Corporate Secretary,
Republic Bank Limited, Head Office, 9-17 Park Street, Port of
Spain.

SUMMARY

This Prospectus constitutes an invitation to investors to subscribe for Units in a new mutual fund at the initial offer price of \$100 each (the "Units") up until 1st April 1998 or such later date as the Trustee in its sole discretion may determine (the "Closing Date") and thereafter at Net Asset Value per Unit in the Unit Trust established by the declaration of trust (the "Declaration of Trust") dated 20th March 1998, made by Republic Finance And Merchant Bank Limited (the "Trustee") and known as the REPUBLIC MONEY MARKET FUND (the "Trust"), subject to the terms of the Declaration of Trust. The contents of this Prospectus are qualified in their entirety by the detailed provisions of the Declaration of Trust. Units are offered at the issue prices set forth under the heading "Distribution of Units" below.

Save where the context requires otherwise, words and expressions defined in the Declaration of Trust shall have the same meaning in this Prospectus.

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 Trustee or any Adviser. This Prospectus does not constitute an offer or solicitation to any one in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The Trust is neither insured with the Deposit Insurance Corporation in Trinidad and Tobago nor is it guaranteed by the Central Bank of Trinidad and Tobago or by any of the parties related thereto. Any investment in the Trust is at the sole risk of the investor.

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

All references herein to "dollar", "dollars" or "\$" mean the lawful currency of the Republic of Trinidad and Tobago. A "Business Day" is any day on which commercial banks operate for all banking business in the Republic of Trinidad and Tobago.

As there is no market for the Units in the Trust, and no such market is expected to develop, it may be difficult or even impossible for the holders to sell them. The Units in the Trust may, however, be redeemed/repurchased by the Trustee.

It should be noted that the price of Units in the Trust may go down as well as up. Under certain circumstances, as detailed in sections 4(g) and 8(c) of the Declaration of Trust, the repurchase and cancellation of Units may be compulsory or suspended. Potential investors should consult their professional advisers on the tax consequences of subscribing, purchasing, holding, redeeming or selling Units under the laws and practice of their country of citizenship, domicile or residence or under the laws of any other relevant jurisdiction and in the light of their personal circumstances.

Circulation of this Prospectus may be restricted in some jurisdictions and potential investors are responsible for informing themselves of any applicable laws or regulations.

If you are in any doubt about the contents of this Prospectus you should consult your stock broker, bank manager, solicitor, accountant or other professional adviser.

The applications for Units may be made only on the basis of this Prospectus alone on the Purchase Notification Form as provided by the Trustee.

Neither the delivery of this Prospectus nor the offer, sale or issue of Units shall constitute a representation that the information given herein is necessarily correct as of any time subsequent to the date hereof.

INTRODUCTION

The Trust

The Trust will be established as an open ended mutual fund in which Units will be issued. An open ended mutual fund is one in which the number of units which may be issued in the Fund is unlimited. This Unit Trust will be classified as business of a financial nature by Section 5 of The Financial Institutions Act, 1993.

The Trust is governed by the laws of the Republic of Trinidad and Tobago and established by the Declaration of Trust made by the Trustee, duly incorporated and validly existing and licensed under the provisions of the Financial Institutions Act, 1993 of the Republic of Trinidad and Tobago.

The obligations as to the trusteeship of the Trust and the issue and repurchase of Units, and all distributions are the ultimate responsibility of the Trustee. The Trustee pursuant to the power contained in the Declaration of Trust has delegated certain duties and functions:

- (a) as to investment advice, to Republic Bank Limited (the "Adviser");
- (b) as to management, to Republic Bank Limited (the "Manager"); and
- (c) as to distribution of the Units, to Republic Bank Limited ("the Distributor").

INVESTMENT STRATEGY

1. Investment Objective and Policy

The Investment Objective of the Trust is to seek a high total investment return by investing primarily in a diversified portfolio of debt securities of issuers domiciled in Trinidad and Tobago. Current income from interest will be an important (but not the only) consideration in the selection of portfolio securities. The Trust may invest in securities, including sovereign debt, of issuers in various countries to the extent such securities provide a high income yield and/or are believed to be undervalued and offer the potential for capital appreciation. Total investment return is the aggregate of capital value changes and income.

In selecting debt securities denominated in various currencies, the Adviser will consider, among other factors, the effect of movements in currency exchange rates on the dollar value of such securities. As a general matter, in evaluating investments, the Adviser will seek to maximise the Trust's total investment return, which is expressed in Trinidad and Tobago dollars.

The Adviser will vary the average maturity of the Trust's debt securities from time to time depending on its assessment of the pertinent economic conditions. As with all debt securities, changes in market yields will affect the value of such securities. Prices generally increase when interest rates decline and decrease when interest rates rise. Prices of longer term securities generally fluctuate more in response to interest rate changes than to shorter terms securities.

The Trustee may invest in ancillary liquid assets as appropriate to provide for redemptions or to meet other liquidity needs.

2. Investment Restrictions

There are certain investment decisions that are deemed

fundamental policies for the Trust, including restrictions that no less than 80% of the total assets of the Trust may be invested in debt securities, against acquiring more than 5% of the issued and outstanding share capital of a single issuer, against acquiring securities that are subject to legal or contractual restrictions on resale, and against entering into any derivative transaction and forward currency transaction for speculative purposes.

The Trustee may not borrow any monies.

3. Risk Disclosures

There can be no assurance that the Trustee will achieve the Investment Objective of the Trust and investors may not receive an amount equal to that originally invested in the Trust.

Although the assets of the Trust will be invested in high quality securities, the portfolio will be subject to the risk of fluctuations in capital value. While the Trustee will seek for the Trust to produce positive total investment returns, in any particular year losses may be suffered.

The prices of Units in the Trust are not guaranteed as they can go down as well as up. There is no guarantee of the achievement of the objectives of the Trust.

The Trust is neither insured with the Deposit Insurance Corporation in Trinidad and Tobago nor is it guaranteed by the Central Bank of Trinidad and Tobago or by any of the parties related thereto. Any investment in the Trust is at the sole risk of the investor.

4. Modifications

Modification of the Investment Objective requires approval of the Trustee and consent by Ordinary Resolution of the Unitholders.

TRUSTEE, ADVISER, MANAGER AND DISTRIBUTOR

Pursuant to the Declaration of Trust, the Trustee has exclusive authority and ultimate responsibility for the administration and management of the Trust as well as for the custody of the assets of the Trust. As referred to above the Trustee has delegated certain responsibilities to the Adviser, the Manager and the Distributor.

For their services the Trustee, the Adviser, the Manager and the Distributor are paid in accordance with the "Fees Section".

Pursuant to an Investment Advisory Agreement, the Adviser will provide general investment management of the assets of the Trust and buy and sell securities for and on behalf of the Trust subject to the restrictions set forth in this Prospectus and in the Declaration of Trust for the time being and as they may be amended from time to time.

The Adviser, Republic Bank Limited, with its registered office at Republic House, 9-17 Park Street, Port of Spain is licensed under the provisions of the Financial Institutions Act, 1993.

The Adviser will determine the proportion of the assets of the Trust which shall be held in equity securities, debt securities or temporary investments to provide for liquidity or defensive purposes, subject to the restrictions of the Declaration of Trust and delivery of any written instructions by the Trustee to the Adviser.

The Adviser will be responsible for the investment decisions made on behalf of the Trust and will place purchase and sale orders for portfolio securities. The Adviser will also select the dealers that will execute portfolio transactions for the Trust.

Some securities considered for investment by the Trust may also be appropriate for other clients advised by the Adviser, including its affiliates, as well as other funds. If the purchase or sale of securities is consistent with the Trust's investment policies and one or more of such other funds or clients are considered at or

about the same time, transactions in such securities will be allocated among the several clients in a manner deemed fair and equitable. These allocations may be advantageous or disadvantageous to the Trust.

The Manager, Republic Bank Limited, is responsible for calculating the Net Asset Value of the Trust and the Net Asset Value per Unit (see "Determination of the Net Asset Value per Unit" below). The Manager is also responsible for the maintenance of proper books of accounts and preparation of full financial statements.

The Distributor, Republic Bank Limited, is responsible for the sale and marketing of Units in the Trust.

The Trustee, in accordance with the terms of the Declaration of Trust is permitted to have recourse to the assets of the Trust to satisfy any liabilities it incurs, in respect of the Trust, including liabilities in favour of its agents such as the Advisor, the Manager and the Distributor.

DISTRIBUTION OF UNITS

Subscriptions

Units in the Trust will initially be offered at \$100.00 per Unit during the Initial Period (being the period from the date of execution of the Declaration of Trust to 1st April 1998 or such later date as the Trustee in its sole discretion may determine (the "Closing Date")) and thereafter Units may be offered for sale at the Net Asset Value per Unit calculated for each Subscription Date being the Business Day immediately following a Valuation Date (being each and every Business Day). Subject to the Trustee determining otherwise, the minimum initial subscription for Units by an investor will be \$10,000 and thereafter, the minimum amount of an additional subscription by a Unitholder, save and except in the instances of the re-investment of any distributions payable in the Trust, will be \$1000. Completed Purchase Notification Forms must be received by the Trustee (or its duly authorised agent) by no later than 12 noon on the relevant Subscription Date.

There is provision for fractional Units.

No certificates are issued in respect of Units which will be registered in the holder's name. Quarterly statements are sent to Unitholders.

Payment for Units

Units will only be issued for cash in the lawful currency of Trinidad and Tobago which must be received with the relevant Purchase Notification Form.

Change of Information Notification Form

Holders of Units are obliged to complete Change of Information Notification Forms in certain circumstances set out in such form.

Redemption

Redemption of Units will be effected on every Redemption Date, being the Business Day immediately following a Valuation Date (being each and every Business Day). To effect Redemption of Units Unitholders must submit Redemption Forms which must be received by the Trustee (or its duly authorised agent) by no later than 12 noon on the relevant Redemption Date. Units will be redeemed at the Redemption Price less an Early Redemption Charge if redeemed within one year of the date such Units are issued and less any stamp duty or taxation leviable thereon on the relevant Redemption Date. Remittance of Redemption Proceeds will be effected on the relevant Redemption Date. In certain circumstances as detailed in Section 8(c) of the Declaration of Trust where redemption may not be practicable the Trustee, after consultation with the Adviser, may suspend redemptions.

Mandatory Redemption

If it shall come to the attention of the Trustee that Units are held by any person who is determined by the Trustee to be an inappropriate person to hold Units, as detailed in Schedule 4 of the Declaration of Trust, or that Units were acquired or are held by any person in breach of the law or requirements of any country or governmental authority then the Trustee shall utilise procedures contained in the Declaration of Trust compulsorily to redeem such Units.

Restrictions on Transfers

Units may be transferred only to persons who are not prohibited from holding Units under the terms of the Declaration of Trust. The transferee will be required to represent to the Trustee's satisfaction that it is acquiring the Units for investment on its own account and that it is not disqualified from holding Units pursuant to the terms of the it is not disqualified from holding Units pursuant to the terms of the Declaration of Trust.

A transfer of Units must be by way of Transfer Form and no such transfer will be effective and binding on the Trustee until entered in the Register.

Subject to a resultant holding of Units (by both the transferor and the transferee after the proposed transfer), of which the current value shall be not less than \$10,000 no Transfer Form shall relate to Units of a then current aggregate value of less than \$1,000 unless such Transfer Form relates to all Units registered in the name of the transferor.

Determination of Net Asset Value per Unit

The assets of the Trust are valued at the close of business on a Valuation Date in order to determine the Net Asset Value of the Trust (being the value of the Trust's total assets minus its total liabilities including provision for accrued fees and expenses). The Net Asset Value per Unit will be calculated on each Valuation Date (being each and every Business Day) or such other day or days as the Trustee may determine by dividing the Net Asset Value of the Trust by the total number of Units outstanding on a relevant Valuation Date.

The Trustee may suspend the determination of Net Asset Value and, accordingly, the issue and repurchase of Units in the Trust during:

- (a) any period in which there is a suspension of trading of the Investments or other property of the Trust; and
- (b) while circumstances exist as a result of which in the opinion of the Trustee after consultation with the Adviser it is not reasonably practicable to realise any Investments or other property held or contracted for the account of the Trust.

Unitholders who have submitted Redemption Forms will be notified of any such suspension as soon as may be practicable after such suspension and those who have not withdrawn their Redemption Forms during the period of such suspension will be promptly notified upon termination of such suspension.

Certain Limitations on Liability

- (1) The Investment Advisory Agreement provides inter alia that the Adviser shall not be under any liability on account of any error of judgement or law or anything done or omitted to be done unless done or omitted to be done with the wilful misfeasance, bad faith or gross negligence of the Adviser or by reason of reckless disregard of its obligations or duties under the Investment Advisory Agreement.
- (2) The Management Agreement provides inter alia that the Manager shall not be liable for acts or omissions unless done or omitted through wilful default, fraud or negligence of the Manager.
- (3) The Distribution Agreement provides inter alia that the Distributor shall use its best efforts to arrange for placement of Units on behalf of the Trust and to provide potential investors with copies of the Prospectus. In so doing, the Distributor shall act as distributor for the Trustee and not as principal.
- (4) The Declaration of Trust provides inter alia that the Trustee shall as regards all the trusts, powers, authorities and discretions vested in it, have absolute and uncontrolled discretion as to the exercise thereof whether in relation to the manner or as to the mode of and the time of exercise thereof and in the absence of fraud or negligence the Trustee shall not be in any way responsible for any loss, costs, damages or inconvenience that may result from the exercise or non-exercise thereof.

Termination

Unless terminated prior thereto by Unitholders' vote or pursuant to a decision by the Trustee (which will be subject to thirty days prior written notice to the Unitholders) that the remaining investment opportunities will not be sufficient to achieve the Investment Objective, the Trust will terminate on whichever is the earliest of (i) the expiry of the Perpetuity Period (which shall expire at the end of the period of 21 years from the date of the death of the last survivor of all the descendants, male and female, of Her Majesty Queen Elizabeth II living on the date of execution of the Declaration of Trust (ii) the redemption of all Units; and (iii) the retirement of the Trustee pursuant to the Declaration of Trust without a new Trustee being appointed.

In order to effect such termination the assets of the Trust will be liquidated by the Trustee in consultation with the Adviser. After payment of all debts and liabilities of the Trust and all fees and expenses of the Trust, the net proceeds of such liquidation will be distributed, to the extent not distributed prior thereto, on the thirtieth Business Day following termination of the Trust pro-rata to the Unitholders of record on the date of termination of the Trust.

TAX CONSIDERATIONS

Prospective purchasers of Units should consult their own tax advisers as to the taxes applicable to the acquisition, holding or disposition of Units under the laws of the countries of their respective citizenship, residence or domicile.

INCOME AND DISTRIBUTIONS

The Trustee intends to make distributions out of the net income and net realised profits of the Trust, although it is expected that these distributions will normally represent a proportion of such net income and profits. The amount of such distributions will be determined by the Trustee and will ordinarily be paid quarterly. Units will accrue entitlement to distributions as long as they are issued and outstanding. Units will be entitled to distributions as of the Subscription Date to (but not including) the Redemption Date.

Distributions payable in this Trust will ordinarily be reinvested automatically in additional Units of the Trust at the Issue Price as at the relevant Distribution Date unless investors or until Unitholders request that their Distributions be paid to them in cash.

GENERAL INFORMATION

Documents for Inspection

The Trust's annual financial statements will be made up to 31st December in each year beginning in 1998. Annual audited financial statements of the Trust will be sent to Unitholders at their registered addresses.

Copies of the Declaration of Trust and agreements with the Adviser, the Manager and the Distributor as well as copies of the Annual Report of the sponsor, Republic Bank Limited may be inspected at the registered office of the Trustee and/or such other offices as the Trustee may from time to time determine and notify to Unitholders and prospective Unitholders.

Unitholders' Voting

With regard to certain matters, the Unitholders will be required to approve or confirm such action as detailed in Schedule 2 of the Declaration of Trust, either by an Ordinary Resolution or Extraordinary Resolution passed in accordance with the provisions of the Declaration of Trust.

Change of Situs

The Trust is governed by the laws of Trinidad and Tobago, but in certain circumstances (as detailed in Section 20 of the Declaration of Trust) the Trustee may be replaced or retire and a new Trustee may declare the law of the Trust to be that of another jurisdiction. Notice of this would be given to the Unitholders.

Fees

Trustee

The Trustee shall be entitled to be paid from the Deposited Property of the Trust a quarterly fee which shall be calculated and accrued daily and payable in arrears of an amount which will not exceed an annual rate of 0.15% on the average Net Asset Value during the relevant calendar quarter and such fees shall, in respect of the quarter in which the Closing Date occurs and the quarter in which the Trust is terminated, be pro-rated on the basis of the number of days remaining in such quarter from and including the Closing Date or (as the case may be) the number of days elapsed in such quarter to and including the termination date, and the number of days in the relevant quarter. The fees payable to the Trustee may be increased with the sanction of an Ordinary Resolution.

Adviser

The Adviser shall be paid out of the Deposited Property of the Trust a quarterly fee, calculated on the basis of the average Net Asset Value in that quarter pro-rated where necessary on the basis of number of days remaining or elapsed in the quarter, according to an annual rate not to exceed 0.60% on the average Net Asset Value of the Trust. The Adviser will be reimbursed all reasonable out-of-pocket expenses incurred in the performance of its duties as Adviser.

Manager

The Manager shall be paid out of the Deposited Property of the Trust a quarterly fee, calculated on the basis of the average Net Asset Value in that quarter, prorated where necessary on the basis of the number of days remaining or elapsed in the quarter, according to an annual rate not to exceed 1.00% on the average Net Asset Value of the Trust. The Manager will also be reimbursed all reasonable out-of-pocket expenses incurred by it in the performance of the Manager's duties.

Distributor

The Distributor shall be paid out of the Deposited Property of the Trust a quarterly fee, calculated on the basis of the average Net Asset Value in that quarter, pro-rated where necessary on the basis of the number of days remaining or elapsed in the quarter according to an annual rate not to exceed 0.25% on the average Net Asset Value of the Trust.