

Affin Hwang Dividend Value Fund

Information Memorandum

Out **think**. Out **perform**.



AFFIN HWANG
CAPITAL

MANAGER

Affin Hwang Asset Management Berhad (429786-T)
(Formerly known as Hwang Investment Management Berhad)

TRUSTEE

Deutsche Trustees Malaysia Berhad (763590-H)

This Information Memorandum is dated 8 June 2015.
The Affin Hwang Dividend Value Fund is constituted on 8 June 2015.
The constitution date for the Fund is also the launch date of the Fund.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE INFORMATION MEMORANDUM.
IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER. FOR INFORMATION CONCERNING CERTAIN RISK FACTORS
WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 14.

This Information Memorandum has been seen and approved by the directors of Affin Hwang Asset Management Berhad (*formerly known as Hwang Investment Management Berhad*) and they collectively and individually accept full responsibility for the accuracy of all information contained herein and confirm, having made all enquiries which are reasonable in the circumstances, that to the best of their knowledge and belief, there are no other facts omitted which would make any statement herein misleading.

The Securities Commission Malaysia has authorized the Fund, which is the subject of this Information Memorandum, and the authorization shall not be taken to indicate that the Securities Commission Malaysia recommends the investment.

The Securities Commission Malaysia will not be liable for any non-disclosure on the part of *Affin Hwang Asset Management Berhad (formerly known as Hwang Investment Management Berhad)* and takes no responsibility for the contents of the Information Memorandum, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from, or in reliance upon the whole or any part of the contents of this Information Memorandum.

INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN DOUBT ON THE ACTION TO BE TAKEN SHOULD CONSULT PROFESSIONAL ADVISERS IMMEDIATELY.

This Information Memorandum is not intended to and will not be issued and distributed in any country or jurisdiction other than in Malaysia ("Foreign Jurisdiction"). Consequently, no representation has been and will be made as to its compliance with the laws of any Foreign Jurisdiction. Accordingly, no issue or sale of Units of the Fund to which this Information Memorandum relates, is made in any Foreign Jurisdiction or under any circumstances, where such action is unauthorised.

Information relating to the Target Fund and the manager of the Target Fund was extracted from the Explanatory Memorandum, issued by the manager of the Target Fund. As such, *Affin Hwang Asset Management Berhad (formerly known as Hwang Investment Management Berhad)* is not responsible for the accuracy and completeness of any information extracted from the Explanatory Memorandum into this Information Memorandum.

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1. CORPORATE DIRECTORY

The Manager

Affin Hwang Asset Management Berhad (formerly known as *Hwang Investment Management Berhad*) (429786-T)

Registered Office

27th Floor, Menara Boustead, 69 Jalan Raja Chulan
50200 Kuala Lumpur

Business Address

Suite 11-01, 11th Floor
Menara Keck Seng
203 Jalan Bukit Bintang
55100 Kuala Lumpur
Tel No.: (603) 2116 6000
Fax No.: (603) 2116 6100
Toll free line: 1-800-88-7080
E-mail: customercare@affinhwangam.com
Website: www.affinhwangam.com

Board of Directors of the Manager

- Tan Sri Dato' Seri Che Lodin Bin Wok Kamaruddin
- Ms Maimoonah Binti Mohamed Hussain
- YBhg Mej Jen Dato' Hj Latip Bin Ismail (Independent Director)
- Mr Teng Chee Wai
- Mr David Semaya
- Mr Abd Malik Bin A Rahman (Independent Director)

Manager's Delegate

(fund valuation & accounting function)
Deutsche Bank (Malaysia) Berhad (312552-W)

Business Address

Level 18-20, Menara IMC
8, Jalan Sultan Ismail
50250 Kuala Lumpur
Tel No. : (603) 2053 6788
Fax No. : (603) 2031 9822

The Trustee

Deutsche Trustees Malaysia Berhad (763590-H)

Registered & Business Address

Level 20, Menara IMC
8, Jalan Sultan Ismail
50250 Kuala Lumpur
Tel No. : (603) 2053 7522
Fax No. : (603) 2053 7526

Trustee's Delegate (Local and Foreign Custodian)

Deutsche Bank (Malaysia) Berhad (312552-W)

Business Address

Level 18-20, Menara IMC
8, Jalan Sultan Ismail
50250 Kuala Lumpur
Tel No. : (603) 2053 6788
Fax No. : (603) 2031 8710

Company Secretary

Azizah Shukor(LS0008845)
27th Floor Menara Boustead
69 Jalan Raja Chulan
50200 Kuala Lumpur
Wilayah Persekutuan

Tax Adviser

Deloitte Tax Services Sdn. Bhd.
Level 16, Menara LGB
1 Jalan Wan Kadir
Taman Tun Dr Ismail
60000 Kuala Lumpur

Auditor

PricewaterhouseCoopers
Level 10, 1 Sentral, Jalan Travers, KL Sentral
P.O. Box 10192
50706 Kuala Lumpur

Banker

HSBC Bank (M) Berhad
Head Office
2, Leboh Ampang
50100 Kuala Lumpur

Solicitors

Messrs. Soon Gan Dion & Partners
1st Floor, No. 73, Jalan SS 21/1A
Damansara Utama
47400 Petaling Jaya

FIMM

Federation of Investment Managers Malaysia
19-06-1, 6th Floor, Wisma Tune
19, Lorong Dungun, Damansara Heights
50490 Kuala Lumpur
Tel No.: (603) 2093 2600
Fax No.: (603) 2093 2700
Email: info@fimm.com.my
Website: www.fimm.com.my

Agents

Registered unit trust consultants and other approved Institutional Unit Trust Advisers (as and when appointed) of the Manager.

2. GLOSSARY

| | |
|-----------------------------|--|
| the Act or CMSA | Means the Capital Markets and Services Act 2007 as originally enacted and amended or modified from time to time. |
| A Shares | Mean shares issued by companies incorporated in the PRC and listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange, traded in RMB. |
| B Shares | Mean shares issued by companies incorporated in the PRC and listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange, traded in foreign currencies. Shanghai B Shares trade in USD, while Shenzhen B shares trade in HKD. |
| AUD | Means Australian Dollar. |
| AUD Class | Represents a Class of Units issued by the Fund which is denominated in AUD. |
| Bursa Malaysia | Means the stock exchange managed and operated by Bursa Malaysia Securities Berhad including such other name as it may be changed to from time to time. |
| Business Day | A day on which the Bursa Malaysia is open for trading. The Manager may declare certain Business Days as non-Business Days when deemed necessary, such as in the event of market disruption. |
| CAAP | Means China A Shares access products which offer direct access to China's A-Shares markets. |
| Class(es) | Means any number of Class(es) of Unit(s) representing similar interests in the assets of the Fund and "Class" means any one Class of Units. |
| Class A2 MDis | Means a class of units offered by the Target Fund. |
| Commencement Date | Means the date of this Information Memorandum and is the date on which sales of Units of the Fund is first made. The Commencement Date is also the date of constitution of the Fund. |
| Cooling – off Period | <p>Refers to a period where the Unit Holders are entitled to exercise their Cooling-off Rights.</p> <p>This period is six (6) Business Days from the date the purchase request is received by the Manager.</p> |
| Cooling – off Right | <p>A Cooling-off Right refers to the right of the Unit Holder to obtain a refund of his investment in the Fund if the Unit Holder so requests within the Cooling-off Period. This right is available if you are investing in any funds managed by the Manager for the first time. This right is not applicable to you if you are:</p> <ol style="list-style-type: none">i. A corporation or institution;ii. A staff of the Manager; andiii. Persons registered with a body approved by the SC to deal in unit trusts. <p>The Unit Holder shall be refunded within ten (10) days from receipt of the cooling-off application.</p> |
| Deed(s) | Refers to the Deed dated 8 May 2015 entered into between the Manager and the Trustee and includes any subsequent amendments and variations to the |

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| | Deed. |
| Explanatory Memorandum | Means the offer document of the Target Fund issued by the manager of the Target Fund, as updated and amended from time to time. |
| FiMM | Means the Federation of Investment Managers Malaysia. |
| Financial Institution | Means (a) if the institution is in Malaysia – (i) Licensed Bank; (ii) Licensed Investment Bank; or (iii) Islamic Bank; (b) if the institution is outside Malaysia, any institution that is licensed/registered/approved/authorised by the relevant banking regulator to provide financial services. |
| Forward Pricing | Means the price of a Unit that is the Net Asset Value per Unit calculated at the next valuation point after a purchase or repurchase request, as the case may be, is received by the Manager. |
| Fund | Refers to Affin Hwang Dividend Value Fund. |
| GST | Refers to the tax levied on goods and services pursuant to the Goods and Services Tax Act 2014. |
| Guidelines | <i>Guidelines on Wholesale Funds</i> issued by the SC and as amended from time to time. |
| H Shares | Means shares issued by companies incorporated in the PRC and listed on the Hong Kong Stock Exchange or other foreign exchange. The shares are regulated by PRC law, but denominated in HKD and trade the same as other equities on Hong Kong exchange. |
| HKD | Means Hong Kong Dollar, the lawful currency of Hong Kong. |
| Information Memorandum | Means this offer document in respect of this Fund. |
| Islamic bank | Means a bank licensed under Islamic Financial Services Act 2013. |
| Institutional Unit Trust Advisers | Means institutional unit trust adviser, which is an institution, a corporation or an organisation that is registered with the FiMM to market and distribute unit trust funds. |
| Licensed Bank | Means a bank licensed under Financial Services Act 2013. |
| licensed Investment Bank | Means an investment bank licensed under Financial Services Act 2013. |
| long-term | Means a period of five (5) years or more. |
| the Manager | Refers to Affin Hwang Asset Management Berhad (<i>formerly known as Hwang Investment Management Berhad</i>). |
| medium-term | Means a period of between three (3) to five (5) years. |
| Net Asset Value / NAV | Means the value of all the assets of the Fund less the value of all the liabilities of the Fund at a valuation point; solely for the purpose of computing the annual management fee and annual trustee fee, the NAV of a Fund is inclusive of the management fee and trustee fee for the relevant day; where a Fund has more |

than one Class of Units, there shall be a Net Asset Value of the Fund attributable to each Class of Units.

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| NAV per Unit | Means the Net Asset Value of the Fund at a particular valuation point divided by the number of Unit in Circulation at the same valuation point; where the Fund has more than one Class of Units, there shall be a Net Asset Value per Unit for each Class of Units; the Net Asset Value per Unit of a Class of Units at a particular valuation point shall be the Net Asset Value of the Fund attributable to that Class of Units divided by the number of Units in circulation of that Class of Units at the same valuation point. |
| PRC | Means People's Republic of China. |
| QFII | Means a qualified foreign institutional investor approved under QFII Measures. |
| QFII Measures | Means the “Measures for the Administration of Investment in Domestic Securities by Qualified Foreign Institutional Investors” issued by China Securities Regulatory Commission, People’s Bank of China and State Administration of Foreign Exchange of PRC. |
| Qualified Investors | Refers to – <ol style="list-style-type: none">(1) an individual whose total net personal assets, or total net joint assets with his or her spouse, exceed RM3 million or its equivalent in foreign currencies, excluding the value of the individual’s primary residence;(2) an individual who has a gross annual income exceeding RM300,000.00 or its equivalent in foreign currencies per annum in the preceding twelve months;(3) an individual who, jointly with his or her spouse, has a gross annual income exceeding RM400,000.00 or its equivalent in foreign currencies in the preceding twelve months;(4) a corporation with total net assets exceeding RM10 million or its equivalent in foreign currencies based on the last audited accounts;(5) a partnership with total net assets exceeding RM10 million or its equivalent in foreign currencies;(6) a unit trust scheme or prescribed investment scheme;(7) a private retirement scheme;(8) a closed-end fund;(9) a company that is registered as a trust company under the Trust Companies Act 1949 [Act 100] which has assets under management exceeding RM10 million or its equivalent in foreign currencies;(10) a corporation that is a public company under the Companies Act 1965 [Act 125] which is approved by the SC to be a trustee under the Act and has assets under management exceeding RM10 million or its equivalent in foreign currencies;(11) a statutory body established by an Act of Parliament or an enactment of any State;(12) a pension fund approved by the Director General of Inland Revenue under section 150 of the Income Tax Act 1967 [Act 53];(13) a holder of a capital markets services licence;(14) a licensed institution;(15) an Islamic bank;(16) an insurance company licensed under the Financial Services Act 2013; |

- (17) a takaful operator registered under the Islamic Financial Services Act 2013;
- (18) a bank licensee or insurance licensee as defined under the Labuan Financial Services and Securities Act 2010 [Act 704]; and
- (19) an Islamic bank licensee or takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010 [Act 705].

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| Repurchase Charge | Means a charge imposed pursuant to the Unit Holder's request for repurchase of Units of the Fund. |
| RM | Means Ringgit Malaysia. |
| RMB | Means Renminbi Yuan, the currency of PRC. |
| RM Class | Represents a Class of Units issued by the Fund which is denominated in Ringgit Malaysia (RM). |
| Repurchase Price | Means the Net Asset Value per Unit payable to a Unit Holder by the Manager for a Unit pursuant to a repurchase request and it shall be exclusive of any Repurchase Charge. |
| Sales Charge | Means a charge imposed pursuant to the Unit Holder's purchase request. |
| SC | Means the Securities Commission Malaysia established under the Securities Commission Act 1993. |
| Selling Price | Means the Net Asset Value per Unit payable by the Unit Holder for the Manager to create a Unit in the Fund and it shall be exclusive of any Sales Charge. |
| SFC | Securities and Futures Commission of Hong Kong. |
| SGD | Means Singapore Dollar. |
| SGD Class | Represents a Class of Units issued by the Fund which is denominated in SGD. |
| Special Resolution | Means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority of not less than three-fourths of the Unit Holders present and voting at the meeting in person or by proxy; for the avoidance of doubt, "three-fourths of the Unit Holders present and voting" means three-fourths of the votes cast by the Unit Holders present and voting; for the purposes of winding-up the Fund or a Class, "Special Resolution" means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority in number holding not less than three-fourths of the value of the votes cast by the Unit Holders present and voting at the meeting in person or by proxy. |
| Stock Connect | Means the securities trading and clearing links programme developed by Hong Kong Exchanges and Clearing Limited, Shanghai Stock Exchange and China Securities Depository and Clearing Corporation Limited, aiming to achieve a breakthrough in mutual market access between the mainland China and Hong Kong. |
| Target Fund | Means the Value Partners High-Dividend Stocks Fund, managed by Value Partners Limited. |
| Target Fund Manager | Means Value Partners Limited. |

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| Trustee | Refers to Deutsche Trustees Malaysia Berhad. |
| Unit or Units | Means an undivided share in the beneficial interest and/or right in the Fund and a measurement of the interest and/or right of a Unit Holder in the Fund and means a Unit of the Fund and if the Fund has more than one class of Units, it means a Unit issued for each Class. |
| Units in Circulation | Means Units created and fully paid for and which has not been cancelled. <i>It is also the total number of Units issued at a particular valuation point.</i> |
| Unit Holder or Unit Holders | Refers to the person or persons registered for the time being as the holder or holders of Units of the Fund including persons jointly registered. |
| USD | Means United States Dollar, the lawful currency of the United States of America. |
| USD Class | Represents a Class of Units issued by the Fund which is denominated in USD. |

3. KEY DATA

THIS SECTION IS ONLY A SUMMARY OF THE SALIENT INFORMATION ABOUT THE FUND AND THAT PROSPECTIVE INVESTORS SHOULD READ AND UNDERSTAND THE WHOLE INFORMATION MEMORANDUM BEFORE MAKING ANY INVESTMENT DECISIONS.

| Fund Information | Class(es) | | | | Page |
|-----------------------|--|-----------|-----------|-----------|-------|
| | RM Class | USD Class | AUD Class | SGD Class | |
| The Fund | Affin Hwang Dividend Value Fund | | | | 25 |
| Fund Category | Feeder (Wholesale) | | | | |
| Fund Type | Growth | | | | |
| Base Currency | USD | | | | |
| Financial Year End | 31 st March | | | | |
| Initial Offer Price | RM 0.50 | USD 0.50 | AUD 0.50 | SGD 0.50 | |
| Initial Offer Period | <p>A period of not more than 45 calendar days from the Commencement Date of the Fund.</p> <p>The initial offer period may be shortened by the Manager in the event the Manager determines that it is in the best interest of the Unit Holders.</p> | | | | |
| Investment Objective | <p>The Fund seeks to achieve capital appreciation over medium to long-term period.</p> <p><i>Note : Any material change to the Fund's investment objective would require Unit Holders' approval.</i></p> | | | | 25 |
| Asset Allocation | <ul style="list-style-type: none"> • A minimum of 70% of the Fund's NAV to be invested in the Target Fund; and • A maximum of 30% of the Fund's NAV to be invested in money market instruments, fixed deposits and/or liquid assets. | | | | 25 |
| Performance Benchmark | <p>Dow Jones Asia Select Dividend 30 Index</p> <p><i>Note: The risk profile of this Fund is different from the risk profile of the benchmark.</i></p> | | | | 25 |
| Investment Strategy | <p>The Fund will be investing in a minimum of 70% of the Fund's NAV into the Target Fund and a maximum of 30% of the Fund's NAV into money market instruments, fixed deposits and/or liquid assets.</p> <p>The Manager may take temporary defensive positions that may be inconsistent with the Fund's principal strategy by reducing its investment into the Target Fund and raise liquidity level of the Fund during adverse market conditions to protect the Unit Holders' interest.</p> <p><i>Please refer to Section 5.3 for further details.</i></p> | | | | 25-26 |

| Fund Information | Class(es) | | | | Page |
|---|---|-----------|-----------|-----------|-------|
| | RM Class | USD Class | AUD Class | SGD Class | |
| Investors' Profile | This Fund is suitable for investors who:- <ul style="list-style-type: none"> • have long-term investment horizon; • seek capital appreciation; and • have high risk tolerance. | | | | 25 |
| Specific Risks of investing in the Fund | <ul style="list-style-type: none"> • Concentration risk • Liquidity risk • Country risk • Currency risk • Target fund manager risk | | | | 15 |
| Peculiar Risks of the Target Fund | <ul style="list-style-type: none"> • Equity risk • Investment risk • Effect of redemptions • Dividend risk and risk relating to dividends paid out of capital • Possible business failure • No right to control the Target Fund's operation • Active investment management • Settlement risk • Emerging markets risks • Repatriation limitations • Counterparty risk • Borrowing risks • Political, economic and social risks • Derivative instruments • Hedging risk • Country risk and legal infrastructure • Geographical concentration risk • Accounting and reporting standards • Valuation and accounting • PRC economic risks • Legal system of the PRC • Risk associated with Stock Connect • Risk associated with CAAPs • PRC tax risk • Liquidity risk of investing China A Shares and China B Shares • Credit and default risk | | | | 15-23 |

| Fund Information | Class(es) | | | | Page |
|---|---|-----------|-----------|-----------|------|
| | RM Class | USD Class | AUD Class | SGD Class | |
| | <ul style="list-style-type: none"> • Interest rate risk • Liquidity risk • Credit downgrading risk • Unrated or below investment grade and high yielding debt securities risk • Foreign exchange risk • Performance fee risk • Foreign account tax compliance act | | | | |
| Distribution Policy | Subject to the availability of income, the Fund endeavours to distribute income on a quarterly basis, after the end of its first financial year. | | | | 27 |
| FEES AND CHARGES | | | | | |
| <i>This table describes the charges that may be directly incurred by Unit Holders of the Fund.</i> | | | | | |
| Sales Charge | Up to 5.50% of the initial offer price of a Class during the initial offer period, thereafter, on the NAV per Unit of a Class. <i>Investor may negotiate for a lower Sales Charge at the Manager's discretion.</i> | | | | 34 |
| Repurchase Charge | Not applicable. | | | | 34 |
| Switching Fee | <p>There are two (2) types of switching facilities available for the Fund, namely:-</p> <ol style="list-style-type: none"> 1) Switching between Class(es) of the Fund, and 2) Switching from this Fund into other funds managed by the Manager so long as the currency denomination is the same. <p>Note: There is a minimum number of Units that are required to be held within the Fund after a switching transaction is carried out. The minimum holding of Units vary between Classes. Please refer to Section 8.4 for further details.</p> <p>The fees applicable to each switching type have been set by the Manager as follows:-</p> <p><i>1) Switching between Class(es) of the Fund</i> Investors are entitled to two (2) free switching transactions per calendar year per account when switching between the Classes of the Fund provided that they meet the minimum holding of Units requirements of the Class that they intend to switch into. A switching fee of up to 1% of the NAV per Unit of the Class switched out from will be charged for any further switching transactions.</p> <p><i>2) Switching from this Fund into other funds managed by the Manager</i> Investors are allowed to switch from the Fund into other funds managed by the Manager provided that the currency denomination of</p> | | | | 35 |

| Fund Information | Class(es) | | | | Page |
|--|---|-----------|-----------|-----------|-------|
| | RM Class | USD Class | AUD Class | SGD Class | |
| | the fund that they intend to switch into is the same as the Class they switch out from the Fund. A switching fee of up to 1% of the NAV per Unit of the Class switched out from the Fund will be within the first six (6) months from the date of the investment by the Unit Holders. | | | | |
| Transfer Fee | RM5.00 per transfer. | | | | |
| <i>This table describes the fees that may be indirectly incurred by Unit Holders of the Fund.</i> | | | | | |
| Annual Management Fee | Up to 1.65% per annum of the Net Asset Value of the Fund calculated and accrued daily and is calculated using the Fund's base currency. <i>Please refer to Section 7.5 for further details.</i> | | | | 35 |
| Annual Trustee Fee | Up to 0.04% per annum of the NAV of the Fund, subject to a minimum of RM18,000 per annum or its equivalent in the base currency of the Fund, whichever is higher, calculated and accrued daily (excluding foreign custodian fees and charges) and is calculated using the Fund's base currency. <i>Please refer to Section 7.6 for further details.</i> | | | | 35 |
| Administrative Fees | <p>These include:</p> <ul style="list-style-type: none"> • Commissions or fees paid to brokers and dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes; • (where the custodial function is delegated by the Trustee for the custody of foreign investments) charges or fees paid to foreign sub-custodians; • Tax (including but not limited to goods and services tax) and other duties charged on the Fund by the government and/or other authorities; • Costs, fee and other expenses properly incurred by the auditor appointed for the Fund; • Costs, fees and expenses incurred for the valuation of any investments of the Fund by independent valuers for the benefit of the Fund; • Costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Manager and/or the Trustee; • Costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or Trustee; and • Other fees and expenses related to the Fund allowed under the Deed. | | | | 36 |
| <i>This table describes the fees and charges of the Target Fund.</i> | | | | | |
| Preliminary Charge of Target Fund | Up to 5.00% of the applicable subscription price of each unit of the Target Fund. <i>Please note that preliminary charge is waived for any investments made by the Fund into the Target Fund.</i> | | | | 31-32 |

| Fund Information | Class(es) | | | | Page |
|--|--|--------------|--------------|--------------|-------|
| | RM Class | USD Class | AUD Class | SGD Class | |
| Redemption Charge | Not applicable. | | | | |
| Management Fee of Target Fund | 1.25% per annum of the net asset value of the Target Fund. Please note that management fee will only be charged once at the Fund level. The management fee charged by the Target Fund will be paid out of the annual management fee charged by the Manager at the Fund level. There is no double charging of management fee. | | | | |
| Fee payable to trustee of Target Fund (including fees of the custodian and registrar's agent of the Target Fund) | First USD400 million of the Target Fund's net asset value | | | 0.17% | |
| | Next USD400 million of the Target Fund's net asset value | | | 0.16% | |
| | Thereafter | | | 0.13% | |
| | <i>The trustee fees are subject to a monthly minimum of USD4,000. Under the terms of the trust deed of the Target Fund, the trustee of the Target Fund is also entitled to a fixed annual fee of USD3,000.</i> | | | | |
| Performance Fee of Target Fund | 15% of the appreciation in the net asset value per unit in the relevant class in the relevant performance period of the Target Fund, calculated annually on a high-on-high basis. <ul style="list-style-type: none"> Each performance period corresponds to the financial year of the Target Fund. Where a performance fee is payable to the Target Fund Manager for a performance period, the net asset value per unit on the last valuation day of that performance period will be set as the high watermark for the next performance period. | | | | |
| TRANSACTION DETAILS <i>Investors intending to invest in a Class other than RM Class are required to have a foreign currency account with any Financial Institutions as all transactions relating to the particular foreign currency will ONLY be made via telegraphic transfers.</i> | | | | | |
| Minimum Initial Investment* | RM30,000 | USD10,000 | AUD10,000 | SGD10,000 | 32-33 |
| Minimum Additional Investment* | RM10,000 | USD5,000 | AUD5,000 | SGD5,000 | |
| Minimum Holding of Units* | 60,000 Units | 20,000 Units | 20,000 Units | 20,000 Units | |
| Unitholdings in Different Classes | Investors should note that there are differences when purchasing Units of a Class other than RM Class in the Fund. For illustration purposes, assume the exchange rate of a Class (other than RM Class) and RM is 2.4, and you have RM10,000 to invest. The Class (other than RM Class) is priced at USD/AUD/SGD 0.50, while the RM Class is priced at RM0.50. By purchasing Units in the RM Class, you | | | | 32 |

* the Manager in its sole discretion, may reduce the minimum initial investment amount, minimum additional investment and minimum holding of Units.

| Fund Information | Class(es) | | | | Page |
|--|---|-------------------------|-------------------------|-------------------------|-------|
| | RM Class | USD Class | AUD Class | SGD Class | |
| | <p>will receive more Units for every RM invested in the Fund (i.e. 20,000 Units) compared to purchasing Units in a Class (other than RM Class) (i.e. 8,333 Units).</p> <p>Upon a poll every Unit Holder present in person or by proxy shall be proportionate to the value of Unit held by him or her. Hence, holding more number of Units may not give you an advantage when voting at Unit Holders meetings. You should note that in a Unit Holders' meeting to terminate or wind up the Fund, a special resolution may only be passed by a majority in number representing at least three-fourths (¾) of the value of the Units held by Unit Holders voting at the meeting, and not based on number of Units owned.</p> | | | | |
| Repurchase Frequency and Minimum Units Repurchased | 60,000 Units | 20,000 Units | 20,000 Units | 20,000 Units | 44 |
| | <p>There is no limit in frequency of repurchase and minimum repurchase amount for each repurchase application. If the repurchase request leaves a Unit Holder with less than the minimum holdings or such other amount as may be determined by the Manager, the Unit Holder is required to repurchase all the holding of Units in the Fund at the same time as the repurchase request is received by the Manager.</p> <p>The Manager in consultation with the Trustee reserves the right to defer any repurchase requests if such request would adversely affect the Fund or the interest of existing Unit Holders.</p> | | | | |
| Period of Payment of Repurchase Proceeds | Within fourteen (14) calendar days from the day the repurchase request is received by the Manager. | | | | 43 |
| Cooling-off Period | Within six (6) Business Days from the day the initial application of Units is received by the Manager. | | | | 43 |
| Switching Facility | Minimum of 60,000 Units | Minimum of 20,000 Units | Minimum of 20,000 Units | Minimum of 20,000 Units | 44-45 |
| | <p>There is no restriction on the frequency of switching however there is a minimum number of Units to be switched for each Class.</p> <p>In addition, there are two (2) types of switching facilities available for the Fund, namely 1) switching between Class(es) of the Fund and 2) switching from the Fund into other funds managed by the Manager, so long as the currency denomination of the fund that they intend to switch into is the same as the Fund.</p> <p><i>Please refer to Section 8.10 for further details.</i></p> | | | | |
| Transfer Facility | <p>A Unit Holder is allowed to transfer Units held by that Unit Holder, whether fully or partially, to another person who must be a Qualified Investor.</p> <p>There is no minimum amount of Units required to effect a transfer except that the person who receives the Units and the Unit Holder who transfers part of the Units held by the Unit Holder must continue to hold the minimum holdings of Units to remain as a Unit Holder of a Class.</p> | | | | 43 |

| Fund Information | Class(es) | | | | Page |
|--|---|-----------|-----------|-----------|-------|
| | RM Class | USD Class | AUD Class | SGD Class | |
| | The transfer must be made in terms of Units and not in value. | | | | |
| OTHER INFORMATION | | | | | |
| Designated Representative of the Manager | David Ng Kong Cheong | | | | 51 |
| The Trustee | Deutsche Trustees Malaysia Berhad | | | | 52 |
| Information about the Target Fund | | | | | |
| Name of the Target Fund | Value Partners High-Dividend Stocks Fund | | | | 28-31 |
| Type of Class | Class A2 MDis | | | | |
| Base Currency of Target Fund | USD | | | | |
| Date of establishment of the Target Fund | 2 September 2002 | | | | |
| Target Fund Manager | Value Partners Limited | | | | |
| Trustee of Target Fund | Bank of Bermuda (Cayman) Limited | | | | |
| Custodian of Target Fund | HSBC Institutional Trust Services (Asia) Limited | | | | |
| Country of origin of Target Fund | Cayman Islands | | | | |
| Regulatory Authority of Target Fund | Cayman Islands Monetary Authority | | | | |

Unit prices and distributions payable, if any, may go down as well as up.

For information concerning certain risk factors which should be considered by you, see “Risk Factors” commencing on page 14.

You should read and understand the contents of the Information Memorandum and obtain professional advice before subscribing to the Units of the Fund. If in doubt, please consult a professional adviser.

There are fees and charges involved and you are advised to consider the fees and charges before investing in the Fund.

The fees, charges and expenses quoted in the Information Memorandum are exclusive of GST. From 1 April 2015 onwards, the Manager, the Trustee and other service providers of the Fund will charge GST at the rate of 6% on the abovementioned fees, charges and expenses in accordance with the Goods and Services Tax Act 2014.

4. RISK FACTORS

This section of the Information Memorandum provides Unit Holders with information on the general risks involved when investing in the Fund and the specific risks associated with the purchase of units in the Target Fund.

4.1 General Risks

- **Market risk** - Market risk arises because of factors that affect the entire market place. Factors such as economic growth, political stability and social environment are some examples of conditions that have an impact on businesses, whether positive or negative. It stems from the fact that there are economy-wide perils, or instances of political or social instability which threaten all businesses. Hence, the Fund will be exposed to market uncertainties and fluctuations in the economic, political and social environment that will affect the market price of the investments either in a positive or negative way. As the Fund is a feeder fund, it is also subject to the Target Fund's market risk. Please refer to *Section 4.3* below for more details.
- **Fund management risk** - The performance of the Fund depends on the experience and expertise of the fund manager to generate returns. Lack of any of the above mentioned may adversely affect the performance of the Fund.
- **Performance risk** – This Fund is a feeder fund which invests in another collective investment scheme, namely the Target Fund. The performance of the Fund very much depends on the performance of the Target Fund. If the Target Fund does not perform in accordance with its objective, the performance of the Fund will also be impacted negatively. The performance of the Target Fund and consequently of this Fund may go down as well as up, depending on the circumstances prevailing at a particular given time. On that basis, there is never a guarantee that investing in the Fund will produce a positive investment returns in accordance with its objective.
- **Inflation risk** – Inflation risk is the risk of loss in the purchasing power due to general increase of consumer prices. Inflation erodes the nominal rate of your return giving you a lower real rate of return. Inflation is thus one of the major risks to you and results in uncertainty over the future value of investments. You are advised to take note that this Fund is not constituted with the objective of matching the inflation rate of Malaysia. The Fund has a specified objective that it seeks to achieve without having regard to the inflation rate. If your investment objective is to match the inflation rate (so as not to lose your purchasing power over time), this Fund may not be suitable for you.
- **Loan financing risk** - If you intend to purchase Units of this Fund by means of borrowed/ financed moneys and pledging those Units as collateral for the borrowed/ financed moneys, you should be aware that if the NAV attributable to the Units falls below the borrowed/ financed amount, the lender may require you to provide additional forms of collateral. You should be aware that the cost of borrowing may rise if the interest rates move up especially if your borrowing is based on floating interest rates (i.e. not a fixed rate). Thus, the cost of borrowings may even be higher than any returns that you may eventually make from your investments in this Fund.
- **Risk of non-compliance** - This refers to the risk where the Manager does not comply with the applicable rules, laws, regulations or the Deed. Although not every non-compliance will necessarily result in some losses to the Fund, there is always a risk that losses may be suffered by the Fund. For instance, if the Manager is forced to dispose off any investments of the Fund at loss to resolve the non-compliance. Notwithstanding that, the Manager has imposed stringent internal compliance controls to mitigate this risk.
- **Operational risk** - This risk refers to the possibility of a breakdown in the Manager's internal controls and policies. The breakdown may be a result of human error, system failure or fraud where employees of the Manager collude with one another. This risk may cause monetary loss and/or inconvenience to you. The Manager will regularly review its internal policies and system

capability to mitigate instances of this risk. Additionally, the Manager maintains a strict segregation of duties to mitigate instances of fraudulent practices amongst employees of the Manager.

4.2 Specific Risks

Investors should take into consideration the following risks associated with the Fund's purchase of units in the Target Fund:-

- **Concentration risk** – The Fund is a feeder fund which invests in a single collective investment scheme. Any adverse effect on the Target Fund will inevitably affect the Fund as well. The performance of the Fund is also dependent on the performance of the Target Fund. This risk may be mitigated as the Manager is allowed to take temporary defensive positions in response to adverse market conditions. The Manager is also able to substitute the Target Fund with another fund with similar objective of the Fund if, in the Manager's opinion, the Target Fund no longer meets the Fund's objective subject to Unit Holders' approval with prior notification to SC.
- **Liquidity risk** – This is the risk that the units of the Target Fund that is held by the Fund cannot be readily sold and converted into cash. This can occur when there is a restriction on realisation of units of the Target Fund. The Target Fund Manager may suspend the realisation of units, or delay the payment of realisation proceeds in respect of any realisation request received, during any periods in which the determination of the net asset value of the Target Fund is suspended. As a result, the Fund may not be able to receive the repurchase proceeds in timely manner which in turn may delay the payment of repurchase proceeds to the Unit Holders. In managing liquidity risk, the Manager will maintain a sufficient liquidity level for the purposes of meeting repurchase requests.
- **Country risk** – Since the Fund invests in Target Fund which is established in the Cayman Islands and invests in Asian region, the Fund will be exposed to risks specific to the Cayman Islands and Asian region. The changes or developments in the regulations, political environment and the economy of the above countries may impact the Target Fund which will in turn affect the Fund.
- **Currency risk** – Currency risk is also known as foreign exchange risk where the risk is associated with the Fund's underlying investments which are denominated in different currencies than the Fund's base currency, i.e. USD. The impact of the exchange rate movement between USD and the currencies of the underlying investments may result in depreciation or appreciation of the value of the Fund's investments as expressed in USD.

Investors should also be aware that currency risk is applicable to Classes which are in different currencies than the Fund's base currency, i.e. USD. The impact of the exchange rate movement between the base currency of the Fund and the currencies of the respective Classes may result in depreciation or appreciation of the investors' holdings as expressed in USD.

As the Fund is a feeder fund, it is also subject to the Target Fund's currency risk. Please refer to *Section 4.3* below for more details.

- **Target Fund Manager risk** – As a feeder fund, the Fund invests into the Target Fund which is managed by the Target Fund Manager. The Manager has no control over the investment technique and knowledge, operational controls and management of the Target Fund Manager. In the event of any mismanagement of the Target Fund, the NAV of the Fund, which invests substantially all of its assets into the Target Fund, would be affected adversely.

4.3 Specific Risks Related To The Target Fund

The nature of the Target Fund's investments involves certain risks. Investors should consider the following factors, as well as other information in this Information Memorandum, and obtain professional advice before subscribing to the Units of the Fund. If in doubt, please consult a professional adviser.

- **Equity risk** - Investing in equity securities may offer a higher rate of return than those investing in short term and longer term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with any equity portfolio is the risk that the value of the investments it holds might suddenly and substantially decrease in value.
- **Investment risk** - The Target Fund is a collective investment scheme. There is no guarantee of the repayment of principal. The Target Fund's investment portfolio may fall in value and the Fund may lose a substantial proportion or all of its' investment in the Target Fund.
- **Effect of redemptions** - If significant redemptions of units are requested, it may not be possible to liquidate the Target Fund's investments at the time such redemptions are requested or the Target Fund may be able to do so only at prices which the Target Fund believes does not reflect the true value of such investments, resulting in an adverse effect on the return to the Fund. Where significant redemptions of units are requested, the Target Fund may limit the number of units that are redeemed on any valuation day, suspend the right of the Fund to require redemption, or may extend the period for the payment of redemption moneys.
- **Dividend risk and risk relating to dividends paid out of capital** - There is no guarantee that the underlying securities in the Target Fund will pay out dividends. Therefore, there is no guarantee that the Target Fund's investment strategies will succeed. There is also neither guarantee of dividend or distribution payments during the period the Fund holds units in the Target Fund nor will there be a target level of dividend payout. High distribution yield does not imply a positive or high return.

The Target Fund Manager may at its discretion pay dividend out of the capital of the Target Fund where the net distributable income generated by the Target Fund is insufficient to pay a distribution declared by the Target Fund. This would require the Target Fund Manager to sell assets of the Target Fund to make such distributions as opposed to paying out net distributable income received by the Target Fund. The payment of dividends out of capital represents a return or withdrawal of part of the amount originally invested or from any capital gains attributable to the original investment. Such distributions may result in an immediate reduction of the net asset value per unit of the Target Fund. The Target Fund Manager may amend this policy subject to the SFC's prior approval and by giving not less than one month's prior notice to the Fund.

- **Possible business failure** - In the current economic environment, global markets are experiencing very high level of volatility and an increased risk of corporate failures. The insolvency or other corporate failures of any one or more of the Target Fund's investments may have an adverse effect on the Target Fund's performance and ability to achieve its objectives. The Target Fund intends to diversify its investments in accordance with the investment policy and restrictions of the Target Fund to minimise such adverse impact but there is no guarantee that such diversification strategy can mitigate any such adverse impact.
- **No right to control the Target Fund's operation** – The Fund will have no right to control the daily operations, including investment and redemption decisions, of the Target Fund.
- **Active investment management** - The Target Fund will rely upon the Target Fund Manager in formulating the investment strategies and its performance is largely dependent on the continuation of an agreement between the Target Fund, the Target Fund Manager and the services and skills of their respective officers and employees. The Target Fund's investments will not track a particular share index or other predetermined benchmarks. Instead, the Target Fund's assets will be actively managed by the Target Fund Manager, based on the expertise of individual fund managers, who will have discretion (subject to the Target Fund's investment restrictions) to invest the Target Fund's assets in investments that it considers will enable the Target Fund to achieve its investment objective. There is no guarantee that the Target Fund's investment objective will be achieved based on the investments selected. In the case of

loss of service of the Target Fund Manager or any of its key personnel, as well as any significant interruption of the Target Fund Manager's business operations or in the extreme case the insolvency of the Target Fund Manager, the Target Fund may not find successor managers quickly and the new appointment may not be on equivalent terms or of similar quality. Therefore, the occurrence of those events could cause a deterioration in the Target Fund's performance and the Fund may lose money in those circumstances.

- **Settlement risk** - The investments of the Target Fund are subject to risks inherent in all securities (including settlement and counterparty risks). Settlement risk includes the failure or delay to transact or transfer any funds or securities due to several factors including but not limited to regulatory investment restrictions, RMB currency conversion and illiquidity of the China A shares market. The value of holdings may fall as well as rise. The global markets are currently experiencing very high levels of volatility and instability, resulting in higher levels of risk than is customary (including settlement and counterparty risks).
- **Emerging markets risks** - Investments may be made by the Target Fund in the emerging markets and may be subject to additional risks due to less developed (and in some instances, a lack of) legal, political, business and social frameworks to support their securities markets. Some of the significant additional risks in investing in emerging markets include:
 - (a) delays in settling securities transactions and registering transfers of securities;
 - (b) risk of loss arising out of delays or failures within the systems of share registration and custody*;
 - (c) lesser investor protection due to low levels of monitoring of the activities in securities markets;
 - (d) higher risk of political and social uncertainty;
 - (e) volatility of emerging market currencies against developed market currencies;
 - (f) higher market and price volatility and lesser liquidity compared to developed markets;
 - (g) unforeseen development of new laws which have a negative impact on the value of investments;
 - (h) shortage of qualified judicial and legal professionals to interpret or advise upon recently enacted and future laws;
 - (i) difficulties in enforcement actions.

These factors make investments in emerging markets generally more volatile than investments in developed markets, which may result in a declining net asset value and may impair the Target Fund's liquidity.

*Reference is made to markets where difficulties or inadequacies may arise in relation to registration and custodial of portfolio assets. This could potentially cause refusal in recognition of ownership existence or fraud thus causing the portfolio to face the risk of possible losses.

- **Repatriation limitations** - Some countries may impose restrictions on foreign exchange, especially in relation to the repatriation of foreign funds. Such markets may prohibit the repatriation of foreign funds for a fixed time horizon and limit the percentage of invested funds to be repatriated at each time. As a result, the Target Fund can incur loss from any prohibition or delay in its ability to repatriate funds from those countries and therefore cause a decline in the net asset value. The Fund may lose money or may be unable to redeem the full amount of their units or may experience some delay.
- **Counterparty risk** - Financial institutions, such as brokerage firms, broker-dealers and banks, may enter into transactions with the Target Fund Manager on account of the Target Fund in relation to the Target Fund's investments. These financial institutions, being a counterparty to the transactions, may also be issuers of securities or other financial instruments in which the

Target Fund invests. This exposes the Target Fund to the risk that a counterparty may not settle a transaction in accordance with market practice due to a credit or liquidity problem of the counterparty, or due to the insolvency, fraud or regulatory sanction of the counterparty, thus causing the Target Fund to suffer a loss.

Deposits of securities or cash with a custodian, bank or financial institution (“custodian or depository”) will also carry counterparty risk as the custodian or depository may be unable to perform their obligations due to credit-related and other events like insolvency of or default by them. In these circumstances, the Target Fund may be required to unwind certain transactions and may encounter delays of some years and difficulties with respect to court procedures in seeking recovery of the Target Fund’s assets. In most cases, the Target Fund’s assets will be maintained by the custodian or depository in segregated accounts and would be protected in the event of the insolvency of the custodian or depository. However, for instance, in stock lending arrangements, the Target Fund may not have a right to have specific assets returned to it, but rather, the Target Fund may only have an unsecured claim against the custodian or counterparty, in which case it may lose all or the greater part of the value of the relevant assets.

- **Borrowing risks** - The Target Fund may borrow for the account of the Target Fund (up to 25 per cent. of the net asset value of the Target Fund) for various reasons, such as facilitating redemptions or to acquire investments for the account of the Target Fund. Borrowing involves an increased degree of financial risk; the risk of being exposed to factors including but not limited to rising interest rates, a weaker economy where the borrowing was made, as well as deterioration in the condition of the underlying investments, thus weakening the ability of the borrower to meet its debt obligations. There can be no assurance that the Target Fund will be able to borrow on favourable terms, or that the Target Fund’s indebtedness will be accessible or be able to be refinanced by the Target Fund at any time.
- **Political, economic and social risks** - Uncertainty in any change to social conditions, government policies or legislation in the countries in which the Target Fund may invest may adversely affect the political or economic stability of such countries. The value of the assets of the Target Fund may be affected by uncertainties such as domestic and international political developments, changes in social conditions, changes in government policies, taxation, restrictions on foreign investments and currency repatriation, the level of interest rates, currency fluctuations, fluctuations in both debt and equity capital markets, sovereign defaults, inflation and money supply deflation, and other developments in the legal, regulatory and political climate in the countries in which investments may be made, which may or may not occur without prior notice. Any such changes or developments may affect the value and marketability of the Target Fund’s investments. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made do not provide the same degree of protection or information as would generally apply in more developed countries.
- **Derivative instruments** - The Target Fund may invest in the investment targets of the Target Fund through derivative instruments. The Target Fund may also use derivative instruments for hedging purposes. Derivative instruments may not be listed and are subject to the terms and conditions imposed by their issuer. There is no active market in derivative instruments and therefore investment in derivative instruments can be illiquid. In order to meet redemption requests, the Target Fund relies upon the issuer of the derivative instruments to quote a price to unwind any part of the derivative instruments that will reflect the market liquidity conditions and the size of the transaction. There is a risk that the issuer of the derivative instruments will not settle a transaction due to a credit or liquidity problem and the Target Fund may suffer a total loss of the Target Fund’s interest in the derivative instruments.

An investment in the derivative instruments does not entitle the derivative instruments holder to the beneficial interest in the shares nor to make any claim against the company issuing the shares. There can be no assurance that the price of the derivative instruments will equal the underlying value of the company or securities market that it may seek to replicate.

Compared to conventional securities, such as shares and debt securities, derivative instruments with leveraging effect (such as futures and warrants) can be more sensitive to changes in interest rates or to sudden fluctuations in market prices. As a result, a relatively small price movement in the value of the underlying asset of such derivative instrument may result in immediate and substantial loss (or gain) to the Target Fund. Therefore, the Target Fund's losses may be greater if it invests in such derivative instruments than if it invests only in conventional securities such as shares and debt securities.

- **Hedging risk** - The Target Fund Manager is permitted, but not obliged, to use hedging techniques to attempt to offset market and currency risks. The Target Fund may use financial derivatives such as index and currency swaps and currency forwards for hedging purposes. There is no guarantee that hedging techniques will achieve their desired result.

While the Target Fund may enter into such transactions to seek to reduce currency, exchange rate, interest rate and other market risks, unanticipated changes in currency, interest rates and the relevant markets may result in a poorer overall performance of the Target Fund. For a variety of reasons, the Target Fund may not obtain a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the intended hedge or expose the Target Fund to risk of loss including the loss of any possible gains due to hedging.

- **Country risk and legal infrastructure** - Countries in the Asian region have diverse legal, banking and exchange control systems with which the Fund may not be accustomed. Company laws in some targeted countries are in their early stage. In the development of these, certain new laws might have a negative impact on the value of an investment which cannot be foreseen at the time the investment is made. As the efficacy of such laws is as yet uncertain, there can be no assurance as to the extent to which rights of the Fund can be protected. In addition, there may also be a shortage of qualified judicial and legal professionals to interpret or advise upon recently enacted and includes laws which may not yet be conceived, but could be formulated and eventually enacted in the future in some jurisdictions. It may also be difficult for the Target Fund to obtain effective enforcement of its rights by legal or arbitral proceedings in Asian region than in countries with more mature legal systems. The value of the Target Fund's portfolio can be affected negatively by changes in those legal, banking or exchange control systems. The Fund may lose money in those circumstances.
- **Geographical concentration risk** - The concentration of the Target Fund's investments in Asian markets particularly China-related* companies may result in greater volatility than portfolios which comprise broad-based global investments. Thus, the Fund's investment in the Target Fund may be more susceptible to fluctuations in value resulting from adverse conditions in the countries in which it invests.

* China-related companies are those whose business operations or revenues are in or derived from mainland China or Hong Kong, but may also include those not listed in mainland China or Hong Kong.

- **Accounting and reporting standards** - The accounting standards and regulatory requirements of financial reporting and information disclosure in some markets in which the Target Fund may invest may not follow international standards as there are differences between international standards and reporting practices in such markets. These differences may lie in areas such as different valuation methods of the properties or the assets, and the requirements for disclosure of information to the Fund. Therefore, the Target Fund may be forced to make investment decisions based on incomplete or incorrect data. If those data turn out to be incomplete or incorrect, the security in which the Target Fund has invested into could decline in value or become valueless. The Fund may lose money in those circumstances.
- **Valuation and accounting** - The net asset value of the Target Fund will be determined as at the close of business in the last market to close of all relevant markets in which the Target Fund is invested on each valuation day by valuing the assets of the Target Fund and deducting the

liabilities of the Target Fund in accordance with the terms of the trust deed. In some instances where there may be no liquidity or no bid or offer prices or no reliable bid or offer prices quoted for certain securities that the Target Fund may invest in, in particular debt securities and securities that are not listed or quoted on a recognised market, it may be difficult to determine the appropriate valuation of such investments and the Target Fund Manager may have a conflict of interest in striking such valuation since its management and performance fees will be affected by the value of assets under management. The Target Fund Manager may in such instances request for a revaluation to be made by a professional person approved by the trustee.

Further, under current market conditions, it may be the case that the bid-offer spread will be very wide for financial instruments held by the Target Fund, particularly in the case of debt securities that are not listed on a recognised stock exchange, although such spread may be expected to narrow over time. One consequence of this is that to the extent the Target Fund values its portfolio by reference to bid prices, it will incur an immediate diminution in net asset value on the purchase of such debt instruments.

The Target Fund Manager intends to adopt International Financial Reporting Standards (“IFRS”) in drawing up the annual accounts of the Target Fund. However, the calculation of the net asset value which the Target Fund Manager intends to adopt for the purpose of the calculation of various fees may not necessarily be in compliance with generally accepted accounting principles, that is, IFRS. Accordingly, net asset value adopted by the Target Fund Manager may not necessarily be the same as the net asset value to be reported in the annual accounts as the Target Fund Manager may make necessary adjustments in the annual accounts to comply with IFRS.

Nevertheless, reference will only be made to the net asset value published by the Target Fund Manager daily on its website for the Fund to make subscription and redemptions.

- **PRC economic risks** - The economy in the PRC has experienced rapid growth in recent years. However, such growth may or may not continue nor apply evenly across different sectors of the PRC economy. The PRC government has also implemented various measures from time to time to prevent overheating of the economy. Furthermore, the transformation of the PRC from a socialist economy to a more market-oriented economy has led to various economic and social disruptions in the PRC and there can be no assurance that such a transformation will be continued or be successful. All these may have an adverse impact upon the performance of the investments of the Target Fund which are related to the PRC.
- **Legal system of the PRC** - The legal system of the PRC is based on written laws and regulations. However, many of these laws and regulations are still untested and the enforceability of such laws and regulations remains unclear. In particular, the PRC regulations which govern currency exchange in the PRC and the investments of the Target Fund as a foreign investor are relatively new and their application is uncertain. Such regulations also empower the China Securities Regulatory Commission and the State Administration of Foreign Exchange to exercise discretion in their respective interpretation of the regulations, which may result in uncertainties in their application.
- **Risks associated with Stock Connect** - The Stock Connect is a programme novel in nature. The relevant regulations are untested and subject to change. The programme is subject to quota limitations which may restrict the Target Fund’s ability to invest in China A Shares through the programme on a timely basis and as a result, the Target Fund’s ability to access the China A Shares market (and hence to pursue its investment strategy) will be adversely affected. The PRC regulations impose certain restrictions on selling and buying. Hence the Target Fund may not be able to dispose of holdings of China A Shares in a timely manner. Also, a stock may be recalled from the scope of eligible stocks for trading via the Stock Connect. This may adversely affect the investment portfolio or strategies of the Target Fund, for example, when the Manager wishes to purchase a stock which is recalled from the scope of eligible stocks. Due to the differences in trading days, the Target Fund may be subject to a risk of price fluctuations in China A Shares on a

day that the PRC market is open for trading but the Hong Kong market is closed.

- **Risks associated with CAAPs** - The current policy and regulations imposed by the PRC government on the access into the China A Shares by foreign institutional investors via investment quota are subject to change. If any CAAP issuer has insufficient investment quota, the CAAP issuer may cease to extend the duration of any CAAPs or to issue further CAAPs and the Target Fund may be required to dispose of its existing CAAPs. There can be no assurance that the Target Fund may be able to maintain or obtain a sufficient investment in CAAPs. This may have an impact on the Fund's investment in the Target Fund. Further, the Target Fund will be exposed to the counterparty risk associated with each CAAP issuer. Target Fund may suffer losses potentially equal to the full value of the CAAP if the CAAP issuer were to become insolvent or fails to perform its payment obligations under the CAAPs.

- **PRC tax risk**

a) Equity and debt securities except China A Shares via Stock Connect - The Target Fund may be exposed to risks associated with changes in current PRC tax laws, regulations and practice, which may have retrospective effect. In particular, there are still uncertainties as to the withholding tax treatment on dividends, interest and capital gains (currently equal to 10% of any gain) derived from indirect China A Shares investments through CAAPs and China B Shares investments. Certain CAAP issuers have indicated their intention to withhold an amount equal to 10% of any gains representing the PRC tax in respect of any capital gains which would be payable on an actual sale of the underlying China A Shares linked to the CAAPs issued to the Target Fund. If no withholding is made by the CAAP issuers, the Target Fund Manager will make withholding tax provisions for PRC sourced capital gains from indirect China A Shares investments through CAAPs at a rate of 10%.

In light of the uncertainty on income tax treatment on capital gains derived from indirect China A Shares investments through CAAPs, any provision for taxation made by the Target Fund Manager may be excessive or inadequate to meet final PRC tax liabilities on capital gains derived from indirect China A Shares investments through CAAPs. Any excessive provision or inadequate provision for such taxation may impact on the performance and hence the net asset value of the Target Fund during the period of such excessive or inadequate provision. Consequently, the Fund may be advantaged or disadvantaged depending upon the final outcome of how capital gains from indirect China A Shares investments through CAAPs will be taxed, the level of tax provision and when the Fund subscribed and/or redeemed the units in/from the Target Fund.

The Target Fund Manager will not make provisions for any PRC withholding income tax payable by the Target Fund on PRC sourced capital gains from China B Shares, H Shares and RMB-denominated debt securities issued or listed offshore by PRC issuers. The implication of this is that if the Target Fund is liable to pay such withholding and other taxes, this may result in an unfavourable impact on the net asset value of the Target Fund.

b) China A Shares via Stock Connect. The tax position in respect of China A Shares invested through the Stock Connect is currently pending announcement. The Target Fund may be subject to uncertainties in its PRC tax liabilities.

- **Liquidity risk of investing China A Shares and China B Shares** - China A Shares and China B Shares may be subject to trading bands which restrict increases and decreases in the trading price. The Target Fund if investing through the Stock Connect and CAAP issuers will be prevented from trading China A Shares when they hit the "trading band limit". If this happens on a particular trading day, the Target Fund and CAAP issuers may be unable to trade China A Shares. When the Target Fund Manager trades China B Shares for the account of the Target Fund, the Target Fund Manager may also be unable to trade China B Shares due to the "trading band limit". As a result, the liquidity of the CAAPs, China A Shares and China B Shares may be adversely affected which in turn may affect the value of the Target Fund's investments.

- **Credit and default risk** – The Target Fund may invest in securities which are rated below investment grade. The Target Fund may be subject to additional risks due to the speculative nature of investing in securities with a rating below investment grade such as high yield debt securities, which may be considered speculative and can include securities that are unrated and/or in default. An investment in these securities may be subject to a higher degree of credit risk and a greater possibility of default.

The Target Fund may also be subject to the risk that an issuer will fail to make principal and interest payments when due, which may lead to a default and, ultimately, a fall in the value of the Target Fund. Even in the absence of the issuer's default, if the mark-to-market value is lower than the cost of the investment, the Target Fund may suffer immediate diminution in the net asset value. There is no guarantee that the Fund will receive the principal amount invested when the Fund redeems its investment in the Target Fund.

- **Interest rate risk** - The Target Fund may invest in debt securities which are subject to interest rate risk. A debt security's value will decrease in value when interest rates rise. As a result, the Target Fund's value will be adversely affected.
- **Liquidity risk** - It is possible that there may be no liquidity for certain securities that the Target Fund may invest in, in particular debt securities and securities that are not listed on a recognised stock exchange. The Target Fund's ability to sell or liquidate investments at favourable times or for favourable prices may be restricted. As a result, the Target Fund's value will be adversely affected.
- **Credit rating downgrading risk** - Investment grade securities may be subject to the risk of being downgraded to below investment grade securities. Credit ratings assigned by credit agencies do not guarantee the creditworthiness of the issuers. In the event of downgrading in the credit ratings of a security or an issuer relating to a security, the Target Fund's investment value in such security may be adversely affected. The Target Fund Manager may or may not dispose of the securities, subject to the investment objectives of the Target Fund. If the Target Fund continues to hold such securities, it will be subject to additional risk of loss.
- **Unrated or below investment grade debt securities risk** – The Target Fund may invest in high yielding securities which may be unrated or rated below investment grade. Such investments are considered to have a higher credit risk and greater possibility of default than securities which are investment grade with respect to payment of interest and the return of principal.

The market for unrated or lower rated debt securities generally is less active and liquid than that for higher rated securities. As a result, it may be more difficult for the Target Fund to sell such debt securities or the Target Fund may be able to sell such debt securities only at prices lower than if such debt securities were widely traded. The Target Fund will suffer losses if such debt securities have to be sold at prices which are substantially lower than the amount invested by the Target Fund.

Unrated or lower rated debt securities are more susceptible and sensitive to adverse changes in general economic conditions and interest rates, as well as to changes in the financial condition of the issuers. When economic conditions appear to be deteriorating, lower rated or unrated debt securities may decline in market value more than investment grade debt securities due to heightened concerns and perceptions over credit quality and increased in the default risk of such lower or unrated debt securities. Valuation of these securities is more difficult and thus the Target Fund's prices may be more volatile.

- **Foreign exchange risk** – The Target Fund may issue classes denominated in a currency other than its base currency. In addition, the Target Fund may invest in assets that are denominated in a currency other than its base currency or the relevant class currency. Accordingly, the value of a unit holder's investment may be affected favourably or unfavourably by fluctuations in the rates of exchange of the different currencies.

The Target Fund may, in part, seek to offset the risks associated with such exposure through foreign exchange transactions. The markets in which foreign exchange transactions are effected are highly volatile, highly specialised and highly technical. Significant changes, including changes in liquidity and prices, can occur in such markets within very short periods of time, often within minutes. Foreign exchange trading risks include, but are not limited to, exchange rate risk, interest rate risk and potential interference by foreign governments through regulation of local exchange markets, foreign investment, or particular transactions in foreign currency.

Any changes in exchange control regulations may cause difficulties in the repatriation of funds. Dealings in the Target Fund may be suspended if the Target Fund is unable to repatriate funds for the purpose of making payments on the redemption of units.

- **Performance fee risk** - There is no adjustment of equalisation credit or equalisation losses on an individual unit holder basis. A unit holder redeeming units may still incur performance fee in respect of the units, even though a loss in investment capital has been suffered by the redeeming unit holder.
- **Foreign account tax Compliance act** - Subject to the discussion regarding the IGA (as defined below), sections 1471 – 1474 (referred to as “FATCA”) of the United States (“U.S.”) Internal Revenue Code of 1986, as amended (“IRS Code”) will impose new rules with respect to certain payments to non-United States persons, such as the Trust, including interest and dividends from securities of U.S. issuers and gross proceeds from the sale of such securities. All such payments may be subject to withholding at a 30 per cent rate (beginning on or after 1st July 2014 with respect to U.S. source dividends and interest, and beginning on or after 1st January 2017 with respect to gross proceeds), unless the recipient of the payment satisfies certain requirements intended to enable the Internal Revenue Service (the “IRS”) to identify United States persons (within the meaning of the IRS Code) with interests in such payments.

The United States and the Cayman Islands have signed an intergovernmental agreement for the implementation of FATCA (the “IGA”). Pursuant to the IGA, which follows the “Model 1B” intergovernmental agreement disclosed by the United States Treasury in 2012, the Target Fund will generally be relieved from FATCA withholding tax on payments it receives, as well as the obligation to withhold tax on payments made to the Fund, provided that the Cayman Islands government and the Target Fund comply with the terms of the IGA and related Cayman Islands law. Among other things, IGA would require the Target Fund to identify certain of its U.S. owners and report such ownership to the Cayman Islands, which in turn would report information regarding such ownership to the IRS. Currently, the first calendar year for which FATCA related reporting is required to the Cayman Islands will be the 2014 calendar year, with such first report due in 2015.

However, if the Target Fund receives payments covered by FATCA, withholding may apply if it cannot satisfy the applicable requirements under the IGA or related Cayman Islands law, or the Cayman Islands government is not in compliance with the IGA.

The Target Fund has registered with the IRS. The Target Fund will endeavour to satisfy the requirements imposed under FATCA and the IGA to avoid any withholding tax but no assurance can be given that the Target Fund will be able to satisfy all these obligations. In the event that the Target Fund is not able to comply with the requirements imposed by FATCA, the IGA or related Cayman Islands law, and the Target Fund suffers US withholding tax on its investments as a result of non-compliance, the net asset value of the Target Fund may be adversely affected and the Target Fund may suffer significant loss as a result.

To the extent that the Target Fund suffers withholding tax on its investments as a result of FATCA, the Target Fund, may, after completing due process to ascertain and confirm that the Fund has failed to cooperate and provide the required information, bring legal action against the Fund for losses suffered by the Target Fund as a result of such withholding tax.

4.3 Risk Management

In the Manager's day-to-day running of the business, the Manager employs a proactive risk management approach to manage portfolio risks and operational risks. The Board has established a compliance and risk management committee (CRMC) to oversee the Manager's risk management activities both at operational level and at portfolio management level to ensure that the risk management process is in place and functioning. The CRMC comprises of at least three Board members and is chaired by an independent director. At the executive level, the Manager has established a executive risk management committee (ERMC) to identify, evaluate and monitor risks as well as to formulate internal control measures to prevent the exposure to risks that may affect the performance of the Fund, returns of the Fund or Unit Holders' interest within a clearly defined framework and is primarily responsible for ensuring that the policies and procedures that have been implemented are reviewed on an on-going basis with periodic assessments. The ERMC reports to the CRMC on a quarterly basis.

As part of its portfolio management process, the Manager engages a stringent screening process by conducting fundamental analysis of economic, political and social factors to evaluate their likely effects on the performance of the markets and sectors and any risks associated with them. Regular meetings are held to discuss investment themes and portfolio decisions taken at the meetings are then implemented according to the investment guidelines and risks tolerance, which also take into account requirements for minimum portfolio diversification across individual investment holdings, sectors, geographies and asset classes (based on the portfolio's objective and strategy) to mitigate risks. For investments in fixed income instruments, credit risks are evaluated by a credit committee. The Manager also practises prudent liquidity management with the objective to ensure that the Fund is able to meet its short term expenses including repurchase requests by the Unit Holders.

To manage compliance and regulatory risks, the Manager uses information technology system that is able to monitor the transactions to ensure compliance with the Fund's limits and restrictions. These limits are system-controlled and not manually tracked, thus reducing the probability of human error occurring in ensuring the Fund's limits and restrictions are adhered to. The Manager also undertakes stringent evaluation of movements in market prices and regularly monitors, reviews and reports to the investment committee to ensure that the Fund's investment objective is met. Regular portfolio reviews by senior members of the investment team further reduce the risk of implementation inconsistencies and Guidelines violations.

The Manager also employs a performance attribution system that enables the Manager to review the performance of the Fund to determine the key factors that have contributed and detracted from the Fund's performance. This system complements the Manager's overall risk management process as the system also provides standard risk analytics on the portfolio such as the Fund's standard deviation, tracking error and measures of excess return. The data produced by the performance attribution system is reviewed regularly and at least on a monthly basis in meetings chaired by the chief executive officer and participated by the portfolio managers and the performance evaluation team.

It is important to note that events affecting the investments cannot always be foreseen. Therefore, it is not always possible to protect investments against all risks. The various asset classes generally exhibit different levels of risk. You are recommended to read the whole Information Memorandum to assess the risk of the Fund. If necessary, you should consult your professional adviser(s) for a better understanding of the risks.

5. FUND DETAILS

5.1 General Information

Investment Objective

The Fund seeks to achieve capital appreciation over medium to long-term period.

Note : Any material changes to the Fund’s investment objective would require Unit Holders’ approval.

Investors’ Profile

The Fund is suitable for investors who:-

- have long-term investment horizon;
- seek capital appreciation; and
- have high risk tolerance.

Performance Benchmark

Dow Jones Asia Select Dividend 30 Index

Note: The risk profile of this Fund is different from the risk profile of the benchmark.

Initial Offer Price

| Class(es) of Units | Initial Offer Price |
|---------------------------|----------------------------|
| RM | RM 0.50 |
| USD | USD 0.50 |
| AUD | AUD 0.50 |
| SGD | SGD 0.50 |

Initial Offer Period

The initial offer period shall be for a period of not more than 45 calendar days from the Commencement Date of the Fund.

The initial offer period may be shortened by the Manager in the event the Manager determines that it is in the best interest of the Unit Holders.

Tenure

The Fund is an open-ended fund which means there is no maturity date for the Fund and the Fund may only be terminated in accordance with the terms of this Information Memorandum and the provisions of the Deed.

5.2 Asset Allocation

- A minimum 70% of the Fund’s NAV to be invested in the Target Fund; and
- A maximum of 30% of the Fund’s NAV to be invested in money market instruments, fixed deposits and/or liquid assets.

5.3 Investment Strategy

The Fund will be investing in a minimum of 70% of the Fund’s NAV into the Target Fund and a maximum of 30% of the Fund’s NAV into money market instruments, fixed deposits and/or liquid assets.

The Manager may take temporary defensive positions that may be inconsistent with the Fund's principal strategy by reducing its investment into the Target Fund and raise liquidity level of the Fund during adverse market conditions to protect the Unit Holders' interest.

The Manager holds the discretion to substitute the Target Fund with another fund that has similar objective of the Fund, if, in the Manager's opinion, the Target Fund no longer meets the Fund's investment objective. However, this is subject to the Unit Holder's approval before any such changes are made.

Derivatives Investments

The Manager may use derivatives, such as foreign exchange forward contracts and cross currency swaps mainly for hedging purposes. Cross currency swaps and/or foreign exchange forward contracts may be used to hedge the principal and/or the returns of the foreign currency exposure of any of the Classes against the base currency of the Fund. The employment of derivatives under these circumstances is expected to reduce the impact of foreign currency movements on the Fund's NAV, irrespective of the currency classes. While the hedging strategy will assist with mitigating the potential foreign exchange losses by the Fund, any potential gains from the hedging strategy will be capped as well. The Fund may also employ derivatives for investment purposes to enhance the returns of the Fund by taking a view on the underlying asset or currency and establish a long position to gain a specific underlying exposure. The Fund may also employ derivatives for investment purposes to enhance the returns of the Fund by taking a view on the underlying asset or currency and establish a long position to gain a specific underlying exposure. The types of derivatives envisaged for investment purposes include forwards and swaps which are over-the-counter or traded on centralized exchange.

5.4 Permitted Investments

Unless otherwise prohibited by the relevant authorities or any relevant laws and provided always that there are no inconsistencies with the objective of the Fund, the Fund will invest in the following investments:

- (a) Collective investment scheme;
- (b) Money market instruments;
- (c) Fixed deposits with Financial Institutions;
- (d) Derivatives;
- (e) Any other form of investments as may be determined by the Manager from time to time that is in line with the Fund's objective.

5.5 Valuation of Assets

Unlisted Collective Investment Schemes

Investments in unlisted collective investment schemes shall be valued based on the last published repurchase price.

Fixed Deposit

Valuation of fixed deposits placed with Financial Institutions will be done by reference to the principal value of the fixed deposits and the interests accrued thereon for the relevant period.

Money Market Instruments

Valuation of money market instruments will be based on amortised costs.

Derivatives

The valuation of derivatives will be based on the rates provided by the respective issuers. For foreign exchange forward contracts ("FX Forwards"), the Manager will apply interpolation formula to compute the value of the FX Forwards based on the rates provided by the Bloomberg. If the rates are not available on the Bloomberg, the FX Forwards will be valued by reference to the average indicative rate quoted by at least 3 independent dealers. In the case where the Manager is unable to obtain quotation from 3 independent dealers, the FX Forwards will be valued in

accordance to fair value as determined in good faith by the Manager, on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

In accordance to the Financial Reporting Standard 139 issued by the Malaysian Accounting Standards Board, the Manager will for the purpose of valuing the Fund, obtain the daily price or value of the assets. In the absence of daily price or value of the assets, the Manager will use the latest available price or value of the assets respectively.

5.5 Valuation Point of the Fund

The Fund will be valued at 11.00 a.m. on the next Business Day (or “T + 1”). All foreign assets will be translated into Ringgit Malaysia based on the bid exchange rate quoted by Bloomberg/Reuters at 4.00 p.m. (United Kingdom time) which is equivalent to 11 p.m. or 12 a.m. midnight (Malaysian time) on the same day, or such time as stipulated in the investment management standards issued by the FIMM.

5.6 Policy on Gearing

The Fund is not permitted to borrow cash or other assets (including the borrowing of securities within the meaning of the Guidelines on Securities Borrowing and Lending [SBL Guidelines]) in connection with its activities. However the Fund may borrow cash for the purpose of meeting repurchase requests for Units and such borrowings are subjected to the following:-

- the Fund’s cash borrowing is only on a temporary basis and that borrowings are not persistent;
- the borrowing period should not exceed a month;
- the aggregate borrowings of the Fund should not exceed 10% of the Fund’s NAV at the time the borrowing is incurred; and
- the Fund may only borrow from Financial Institutions.

Except for securities lending as provided under the SBL Guidelines, none of the cash or investments of the Fund may be lent. Further, the Fund may not assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person. In structuring the portfolio of the Fund, the Manager will maintain sufficient liquid assets to ensure short term liquidity in the Fund to meet operating expenses and possible repurchase of Units.

5.7 Distribution Policy

Subject to the availability of income, the Fund endeavours to distribute income on a quarterly basis, after the end of its first financial year.

Unit Holder may elect to receive the proceeds in a manner of cheque or telegraphic transfer. If cheque is elected, it will be issued in the name of the Unit Holder. If telegraphic transfer is elected, proceeds will be transferred to the Unit Holder’s account. Any incurred bank charges and other bank fees arise from the telegraphic transfer, bank cheque or other special arrangement method will be borne by the Unit Holder.

5.8 Denomination of the Fund

The transaction for the Fund listed in this Information Memorandum is denominated in USD as it is the base currency for the Fund. The Manager may create new classes of Units in respect of the Fund in the future. Unit Holders will be notified of the issuance of the new classes of Units by way of communiqué and the prospective investors will be notified of the same by way of a supplemental/replacement information memorandum.

6. THE TARGET FUND DETAILS

6.1 Target Fund Structure

The Target Fund is an open-ended unit trust constituted under the laws of the Cayman Islands and it has been registered as a regulated mutual fund under Section 4(1)(b) of the Mutual Funds Law (2009 Revision) of the Cayman Islands and is regulated by the Cayman Islands Monetary Authority.

6.2 Base Currency of Target Fund

The base currency of the Target Fund is USD.

6.3 Investment Objective

The Target Fund aims to provide capital appreciation to unit holders by investing primarily in a portfolio of relatively* higher yielding debt and equity securities in the Asian region. The Target Fund will concentrate on investing in interest-bearing or dividend-distributing debt and equity securities of companies or issuers in the Asian markets. There are no fixed geographical or sectoral weightings in the allocation of assets and the Target Fund Manager does not intend to follow benchmark indices in determining the geographical or sectoral weightings of the Target Fund.

*This refers to the preference for securities that yield higher incomes (be it dividends or coupons) than an average security.

6.4 Investment Strategy

The Target Fund Manager uses value investing strategies and a bottom-up research approach to select high income investments consistent with the Target Fund's investment objective. The Target Fund Manager aims to follow a buy-and-hold strategy to lower portfolio turnover to maximize the yield from investments.

The Target Fund Manager may invest in debt and equity securities that are below investment grade and investors should be aware of the greater risks which may be involved in investing in these securities. The Target Fund Manager may invest not more than 30% of the Target Fund's latest available net asset value in debt securities that are below investment grade. In addition, the Target Fund's assets may from time to time include cash, deposits, short-term papers, such as treasury bills, certificates of deposit, banker's acceptances, short-term commercial paper and other fixed income instruments. The Target Fund Manager may also place a substantial portion of the portfolio in cash or cash equivalents.

The Target Fund may have direct exposure to certain eligible China A Shares via the Shanghai-Hong Kong Stock Connect ("Stock Connect"). The Stock Connect is a securities trading and clearing links programme with an aim to achieve mutual stock market access between the People's Republic of China ("PRC") and Hong Kong. In the initial phase, the Shanghai Stock Exchange ("SSE")-listed China A Shares eligible for trading by Hong Kong and overseas investors under the Stock Connect include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed China A Shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on The Stock Exchange of Hong Kong Limited ("SEHK"), except the following:

- (a) SSE-listed shares which are not traded in RMB; and
- (b) SSE-listed shares which are included in the "risk alert board".

The Target Fund may also seek indirect exposure to China A Shares in the PRC through CAAPs, such as participatory notes, being listed or unlisted derivative instruments issued by a third party ("CAAP Issuer") which represents an obligation of the CAAP Issuer to pay to the Target Fund an economic return equivalent to holding the underlying China A Shares. The investment in China A Shares through

the Stock Connect and CAAPs is subject to a maximum exposure of 10% of the Target Fund's latest available NAV and not more than 10% of the Target Fund's latest available NAV may be invested in CAAPs issued by any single CAAP Issuer.

The Target Fund intends to invest between 0% and 35% of the Target Fund's latest available net asset value in China B Shares. The Target Fund may also, on an ancillary basis, invest in commodities, futures contracts, options, depository receipts, warrants, convertible bonds and units in any unit trust or shares in any mutual fund corporation or any other collective investment scheme. For the purposes of hedging market and currency risks, the Target Fund may invest in index and currency swaps and currency forwards.

The Target Fund will not invest in any asset backed securities (including asset backed commercial papers) for hedging or non-hedging purposes.

6.5 Permitted Investment

In accordance with the investment restrictions of the Target Fund, and as of the date of this Information Memorandum, the Target Fund Manager intends to invest in the following instruments:

- (i) interest-bearing or dividend distributing debt and equity securities of companies or issuers listed in Asian markets, established in or operating principally in the Asian region or which, in the opinion of the Target Fund Manager, derive a significant proportion of their earnings or revenues from Asia;
- (ii) China A Shares via Stock Connect or CAAPs and China B Shares;
- (iii) short-term papers, such as treasury bills, certificates of deposit, banker's acceptances, short-term commercial paper and other fixed income instruments;
- (iv) commodities, futures contracts, options, depository receipts, warrants, convertible bonds and units in any unit trust or shares in any mutual fund corporation or any other collective investment scheme (including those offered by the Target Fund Manager or its connected persons); and
- (v) index and currency swaps for the purposes of hedging market and currency risks.

6.6 Investment Restrictions and Prohibitions

In accordance with the investment restrictions of the Target Fund, and as of the date of this Information Memorandum, the Target Fund Manager shall ensure that no investment shall be purchased or made for the account of the Target Fund if it results in:

- (a) the value of the Target Fund's holding of securities issued by any single issuer (other than government and other public securities) exceeding 10 per cent. of the latest available net asset value of the Target Fund; or
- (b) the Target Fund's holding of ordinary shares issued by any single issuer exceeding 10 per cent. of any ordinary shares issued by that issuer; or
- (c) the value of the Target Fund's total holding of securities, which are neither listed, quoted nor dealt on a stock exchange, over-the-counter market or other organised securities market which is open to the international public and on which such securities are regularly traded, exceeding 15 per cent. of the latest available net asset value of the Target Fund; or
- (d) the value of the Target Fund's total holding of government and other public securities of the same issue exceeding 30 per cent. of the latest available net asset value of the Target Fund (save that the Target Fund may invest all of its assets in government and other public securities in at least six different issues); or
- (e) the value of the Target Fund's total holding of options and warrants in terms of the total amount of premium paid (other than for hedging purposes) exceeding 15 per cent. of the latest available net asset value of the Target Fund; or
- (f) the value of the Target Fund's total holding of units in any unit trust or shares in any mutual

fund corporation or any other collective investment scheme which are not authorised in jurisdictions identified by the SFC for the purposes of 7.11A of the Code on Unit Trusts and Mutual Funds issued by the SFC (“recognised jurisdiction schemes”) and not authorised by the SFC would in aggregate exceed 10 per cent. of the latest available net asset value of the Target Fund, or the value of the Target Fund’s holding of any units or shares in other collective investment scheme which are either recognised jurisdiction schemes or schemes authorised by the SFC would exceed 30 per cent. of the latest available net asset value of the Target Fund, unless the scheme is authorised by the SFC and the name and key investment information of the scheme are disclosed in this Explanatory Memorandum. In addition, the objective of the underlying collective investment scheme may not be to invest primarily in any investment prohibited by the other investment restrictions, and where that underlying collective investment scheme’s objective is to invest primarily in investments restricted by the other investment restrictions, such holdings may not be in contravention of the relevant limitation; or

(g) the value of the Target Fund’s total holding of:

- (1) commodities and commodity-based investments (other than shares in companies engaged in producing, processing or trading in commodities); and
- (2) futures contracts on an unhedged basis (by reference to the net aggregate value of contract prices, whether payable to or by the Target Fund),

exceeding 20 per cent. of the latest available net asset value of the Target Fund (without prejudice to the Target Fund Manager’s right to take positions in futures contracts in order to protect the assets of the Target Fund against adverse or unusual currency or market fluctuations).

In addition, the Target Fund Manager shall not (amongst other things):

- (i) invest in any type of real estate (including buildings) or interests in real estate (including options or rights but excluding shares/interests or derivative interests thereon in real estate companies, or SFC authorised/ permitted real estate investment trusts); or
- (ii) make short sales unless (i) the liability of the Target Fund to deliver securities does not exceed 10 per cent. of the latest available net asset value of the Target Fund and (ii) the security which is to be sold short is actively traded on a market where short selling activity is permitted; or
- (iii) assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person without the prior written consent of the trustee; or
- (iv) invest in any security or other property which involves the assumption of any liability by the Target Fund which is unlimited; or
- (v) invest in a security of any class in any company or body if directors and officers of the Target Fund Manager individually own more than 0.5 per cent. of the total nominal amount of all the issued securities of that class or collectively own more than 5.0 per cent. of those securities; or
- (vi) invest in any security where a call may be made for any sum unpaid on that security unless that call could be met in full out of cash or near cash held by the Trust throughout the period from the acquisition of the relevant security up to the date on which the call is made or expires, whichever is earlier; or
- (vii) grant options over or in respect of any security except, in the case of call options, where the option is covered by securities and, in the case of put options, where the option is covered by cash or near cash in each case held by the Target Fund throughout the period from the grant of the option to the exercise of the option; or
- (viii) grant call options over securities held by the Target Fund in excess of 25 per cent. of the latest available net asset value of the Target Fund in terms of the prices at which

all such options may be exercised; or

- (ix) invest in any unit trust, mutual fund corporation or other collective investment scheme which, in turn, invests primarily in any investment prohibited by the trust deed or the Explanatory Memorandum or by relevant laws or regulations; or
- (x) invest into a unit trust, mutual fund corporation or other collective investment scheme which is managed by the Target Fund Manager or any of its connected persons which would result in any rebate on fees or charges levied by the unit trust, mutual fund corporation or other collective investment scheme to the Target Fund Manager or an increase in the overall total of initial charges, management fees or any other costs and charges payable by the Target Fund or by unit holders to the Target Fund Manager or any of its connected persons; or
- (xi) invest less than 70 per cent of its non-cash assets in securities and other investments that reflect the particular objective or geographic region or market which the name of the Trust represents; or
- (xii) make a loan out of the Target Fund without the prior written consent of the trustee except to the extent that the acquisition of an investment or the making of a deposit might constitute a loan (save that the trustee may make a loan to an entity beneficially owned by the Target Fund, if any).

6.7 The Target Fund Manager

The Target Fund Manager, Value Partners Limited is an investment company incorporated with limited liability in the British Virgin Islands on 9th October, 1991. It is licensed under the Hong Kong Securities and Futures Ordinance to carry on regulated activities of dealing in securities, advising on securities, advising on futures contracts and asset management in Hong Kong. The Target Fund Manager is also licensed by the Financial Services Commission in the British Virgin Islands to hold a Category 3: Investment Management Sub-Category B: Managing Mutual Funds licence under Section 5 and 6(2) of the Securities and Investment Business Act, 2010 (“SIBA”), and in accordance with the provisions of Sections 5 and 6(2) of SIBA, and Section 40B of the Financial Services Commission Act, 2001. It is a wholly-owned subsidiary of Value Partners Group Limited.

6.8 Fees and Charges of the Target Fund

Preliminary charge Up to 5% of the applicable subscription price of each unit of the Target Fund.

Please note that preliminary charge is waived for any investments made by the Fund into the Target Fund.

Redemption fee Not applicable.

Management fee 1.25% per annum of the net asset value of the Target Fund.

Please note that management fee will only be charged once at the Fund level. The management fee charged by the Target Fund will be paid out of the annual management fee charged by the Manager at the Fund level. There is no double charging of management fee.

| | | |
|--|---|-------|
| Trustee fee (including fees of the Custodian and registrar’s agent) | First USD400 million of the Target Fund’s net asset value | 0.17% |
| | Next USD400 million of the Target Fund’s net asset value | 0.16% |
| | Thereafter | 0.13% |

The trustee fees are subject to a monthly minimum of USD4,000. Under the terms of the trust deed of the Target Fund, the trustee of the Target Fund is also entitled to a fixed annual fee of USD3,000.

Performance fee

15% of the appreciation in the net asset value per unit in the relevant class in the relevant performance period of the Target Fund, calculated annually on a high-on-high basis.

- Each performance period corresponds to the financial year of the Target Fund.
- Where a performance fee is payable to the Target Fund Manager for a performance period, the net asset value per unit on the last valuation day of that performance period will be set as the high watermark for the next performance period.

Under this section, please note the following definition:-

| | |
|--|---|
| <i>“Valuation Day”</i> | <i>Means a business day of the Target Fund where it is a day when banks in Hong Kong are open for general business except for: (i) a Saturday or Sunday; (ii) a day on which banks in Hong Kong are open for a shorter time as a result of a typhoon signal, a rainstorm warning or similar event, unless the Target Fund Manager, with the consent of the trustee, determines otherwise.</i> |
| <i>“Performance Fee Valuation Day”</i> | <i>Means the last Valuation Day of each calendar year (prior to the deduction of any provision for any performance fee and any distribution declared or paid in respect of that performance period).</i> |

The Target Fund Manager is entitled to receive an annual performance fee, calculated on a high-on-high basis, if the net asset value per unit of a particular class as at the Performance Fee Valuation Day exceeds the higher of:

- the net asset value per unit of that class on the date of the initial issue of units; and
- the net asset value per unit of that class as at the Performance Fee Valuation Day of the preceding performance period in respect of which a performance fee was last paid to the Target Fund Manager for that class (after deduction of all fees including any performance fee and any distribution declared or paid in respect of that preceding performance period).

For illustration:

| Year | Net asset value per unit on Performance Fee Valuation Day | Net asset value per unit on the initial issue of unit | Net asset value per unit on Performance Fee Valuation Day of the preceding performance period in respect of which a performance fee was last paid | Entitled for Performance Fee* |
|------|---|---|---|-------------------------------|
| | (A) | (B) | (C) | |
| 1 | USD 10.50 | USD 10.00 | USD 10.00 | Yes |
| 2 | USD 8.50 | USD 10.00 | USD 10.50 | No |
| 3 | USD 10.00 | USD 10.00 | USD 10.50 | No |
| 4 | USD 11.00 | USD 10.00 | USD 10.50 | Yes |
| 5 | USD 10.50 | USD 10.00 | USD 11.00 | No |
| 6 | USD 11.00 | USD 10.00 | USD 11.00 | No |

* Performance fee is applicable only if (A) > (B) **and** (A) > (C)

The rate of performance fee payable is 15.0% and is calculated by multiplying this fee rate by the product of such excess of the net asset value per unit of a particular class and the average of the number of units of that class in issue on each Valuation Day in the relevant performance period.

The relevant performance period shall be the period commencing on the date immediately following each Performance Fee Valuation Day and ending on the next following Performance Fee Valuation Day.

Any performance fee payable shall be paid as soon as practicable after the end of the relevant performance period. The performance fee shall be accrued on each Valuation Day throughout the relevant performance period. The accrual is made based on the net asset value per unit on each Valuation Day. If it exceeds that higher of (a) the net asset value per unit of that class on the date of the initial issue of units; and (b) the net asset value per unit of that class as at the Performance Fee Valuation Day of the preceding performance period in respect of which a performance fee was last paid, a performance fee accrual will be made. If not, no performance fee accrual will be made. On each Valuation Day, the accrual made on the previous Valuation Day will be reversed and a new performance fee accrual will be calculated and made in accordance with the above.

For units subscribing or redeeming during the relevant performance period, they will be based on the net asset value per unit (after accrual of performance fee as calculated in accordance with the above) and there is no adjustment. Depending upon the performance of the Target Fund during the year, the price at which unit holders subscribe or redeem units at different times will be affected by performance of the Fund and this could have a positive or negative effect on the performance fee borne by them.

There is no equalisation arrangement in respect of the calculation of the performance fees. That means, there is no adjustment of equalisation credit or equalisation losses on an individual unit holder basis based on the timing the relevant unit holder subscribes or redeems the relevant units during the course of a performance period.

A charge of performance fee may have been borne by a unit holder notwithstanding the unit holder concerned may have suffered a loss in investment in the units. On the other hand, a unit holder may not be subject to any performance fee notwithstanding the unit holder concerned may have realised a gain in investment in the units.

7. FEES AND CHARGES

With the issuance of multiple Classes in this Fund, the **indirect** fees and/or charges for the Fund are apportioned based on the size of the Class relative to the whole Fund. This means that the multi-class ratio is calculated by taking the “*Value of a Class before Income & Expenses*”^{*} for a particular day and dividing it with the “*Value of the Fund before Income & Expenses*”^{*} for that same day. This apportionment is expressed as a ratio and calculated as a percentage. As an illustration, assuming there is an indirect fee chargeable to the Fund of USD 100 and assuming further the size of the USD Class over the size of the Fund is 60% whereas the size of the RM Class over the size of the Fund is 40%, the ratio of the apportionment based on the percentage will be 60:40, 60% being borne by the USD Class.

For better clarity, please see illustration at Section 8.1 below.

**Note: The definition of “Value of a Class before Income & Expenses” and “Value of the Fund before Income & Expenses” have been included in Section 8.1 below.*

The following are the charges that may be directly incurred by you.

7.1 Sales Charge

A Sales Charge will be imposed on the purchase of Units of the Fund, irrespective of the currency of Class that has been purchased. The Sales Charge is a percentage of the initial offer price of a Class during the initial offer period and thereafter, the NAV per Unit of a Class.

The Sales Charge is up to 5.50% of the initial offer price of a Class during the initial offer period, thereafter, on the NAV per Unit of a Class.

Investor may negotiate for a lower Sales Charge at the Manager’s discretion.

Note: All Sales Charges will be rounded to two (2) decimal places and will be retained by the Manager.

7.2 Repurchase Charge

Not applicable.

7.3 Transfer Fee

A RM5.00 transfer fee will be levied on each transfer of Units.

7.4 Switching Fee

There are two (2) types of switching facilities available for the Fund, namely:-

- 1) Switching between Class(es) of the Fund, and
- 2) Switching from this Fund into other funds managed by the Manager so long as the currency denomination is the same.

Note: There is a minimum number of Units that are required to be held within the Fund after a switching transaction is carried out. The minimum holding of Units vary between Classes. Please refer to Section 8.4 for further details.

The fees applicable to each switching type have been set by the Manager as follows:-

1) Switching between Class(es) of the Fund

Investors are entitled to two (2) free switching transactions per calendar year per account when switching between the Classes of the Fund provided that they meet the minimum holding of Units requirements of the Class that they intend to switch into. A switching fee of up to 1% of the NAV per Unit of the Class switched out from will be charged for any further switching transactions.

2) Switching from this Fund into other funds managed by the Manager

Investors are allowed to switch from the Fund into other funds managed by the Manager provided that the currency denomination of the fund that they intend to switch into is the same as the Class they switch out from the Fund. A switching fee of up to 1% of the NAV per Unit of the Class switched out from the Fund will be within the first six (6) months from the date of the investment by the Unit Holders.

The following are the fees and expenses that you may indirectly incur when you invest in the Fund

7.5 Annual Management Fee

The annual management fee is up to 1.65% per annum of the NAV of the Fund. This fee is calculated and accrued daily and is calculated using the Fund's base currency, payable monthly to the Manager.

Please note that the example below is for illustration only:

Assuming that the NAV of the Fund for the day is USD300 million, the accrued management fee for that day would be:

$$\frac{\text{USD } 300,000,000 \times 1.65\%}{365 \text{ days}} = \text{USD } 13,561.65 \text{ per day}$$

The management fee is only charged once at the Fund level. The management fee chargeable by the Target Fund will be paid out of the annual management fee charged by the Manager at the Fund level. There is no double charging of the management fee.

The management fee is payable monthly to the Manager and is apportioned to each Class based on the multi-class ratio.

Note: For Unit Holders of a Class other than USD Class, the management fee payable shall be reflected in RM/AUD/SGD in the Fund's financial report.

7.6 Annual Trustee Fee

The Fund pays an annual trustee fee of up to 0.04% per annum of the NAV of the Fund, subject to a minimum of RM18,000 per annum or its equivalent in the base currency of the Fund, whichever is higher, calculated and accrued daily (excluding foreign custodian fees and charges) and is calculated using the Fund's base currency. The Trustee may be reimbursed by the Fund for any expenses properly incurred by it in the performance of its duties and responsibilities.

The trustee fee is calculated and accrued daily and payable monthly to the Trustee.

Please note that the example below is for illustration only:

Assuming that the NAV of the Fund for the day is USD300 million, the accrued trustee fee for that day would be:

$$\frac{\text{USD } 300,000,000 \times 0.04\%}{365 \text{ days}} = \text{USD } 328.77 \text{ per day}$$

The trustee fee is payable monthly to the Manager and is apportioned to each Class based on the multi-class ratio.

Note: For Unit Holders of a Class other than USD Class, the trustee fee payable shall be reflected in RM/AUD/SGD in the Fund's financial report.

7.7 Administrative Fees

Only fees and expenses that are directly related and necessary to the business of the Fund may be charged to the Fund. These include the following:

- (a) Commissions or fees paid to brokers and dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- (b) (where the custodial function is delegated by the Trustee for the custody of foreign investments) charges or fees paid to foreign sub-custodians;
- (c) Tax (including but not limited to goods and services tax) and other duties charged on the Fund by the government and/or other authorities;
- (d) Costs, fee and other expenses properly incurred by the auditor appointed for the Fund;
- (e) Costs, fees and expenses incurred for the valuation of any investments of the Fund by independent valuers for the benefit of the Fund;
- (f) Costs, fees and expenses incurred for any modification of the Deed save where modification is for the benefit of the Manager and/or the Trustee;
- (g) Costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or Trustee; and
- (h) Other fees and expenses related to the Fund allowed under the Deed.

Expenses related to the issuance of this Information Memorandum will be borne by the Manager.

All expenses are apportioned to each Class based on the multi-class ratio.

7.8 Goods and Services Tax

The Royal Malaysian Customs Department has announced the implementation of GST with effect from 1 April 2015 onwards pursuant to the Goods and Services Tax Act 2014. Collective investment schemes are generally exempted from GST. However, some fees, charges and expenses of the Fund are subject to GST which includes:

- (a) Sales Charge;
- (b) Repurchase Charge;
- (c) Switching fee;
- (d) Transfer fee;
- (e) Management fee;
- (f) Trustee fee; and
- (g) Any other expenses of the Fund that may be subject to GST.

From 1 April 2015 onwards, the Manager, the Trustee and other service providers will charge GST at the rate of 6% on the abovementioned fees, charges and expenses in accordance with the Goods and Services Tax Act 2014. Investors should be aware that all fees, charges and expenses referred to or quoted in the Prospectus (including any supplemental prospectus) and the Deed (including any supplemental deed) are referred to or quoted as being exclusive of GST.

7.9 Policy on Stockbroking Rebates and Soft Commissions

The Manager or any delegate thereof shall not retain any rebate from, or otherwise share in any commission with, any broker in consideration for direct dealings in the investments of the Fund. Accordingly, any rebate or shared commission should be directed to the account of the Fund concerned.

However, the Manager or any delegate thereof may and intends to retain goods and services ("Soft Commissions") from any broker, only if the goods and services are of demonstrable benefit to the Unit Holders such as research materials and computer software which are incidental to the investment management activities of the Fund.

There are fees and charges involved and investors are advised to consider the fees and charges before investing in the Fund.

The fees, charges and expenses quoted in the Information Memorandum are exclusive of GST. From 1 April 2015 onwards, the Manager, the Trustee and other service providers of the Fund will charge GST at the rate of 6% on the abovementioned fees, charges and expenses in accordance with the Goods and Services Tax Act 2014.

8. SALE AND PURCHASE OF UNITS

8.1 Computation of NAV and NAV per Unit

In this section, investors will be introduced to certain terms used by the Manager in order to explain how the Fund arrives at its NAV and consequently, NAV per Unit for each Class of the Fund. Please note that these terms are applicable only to this Fund with the introduction of the non-RM denominated Class, i.e. USD Class, SGD Class and AUD Class and not of general application.

Investors should note that the NAV of the Fund is determined by deducting the value of all the Fund's liabilities from the value of all the Fund's assets, at a particular valuation point.

The NAV per Unit of a Class of Units is the NAV of the Fund attributable to a Class divided by the number of Units in Circulation for that particular Class, at the same valuation point.

**Please see Section 5.5 of this Information Memorandum for an explanation of the valuation point for the Fund.*

Under this section, please note the following definition:-

| | |
|---|---|
| <i>"Value of the Fund before Income & Expenses"</i> | <i>Refers to the current value of the Fund inclusive of purchases and/or repurchases before the next valuation point.</i> |
| <i>"Value of a Class before Income & Expenses"</i> | <i>Refers to the current value of a Class inclusive of purchases and/or repurchases before the next valuation point.</i> |

Illustration on computation of NAV per Unit for a particular day:-

| | Fund (USD) | USD Class (USD) | AUD Class (USD) | SGD Class (USD) | RM Class (USD) |
|--|----------------|--------------------|--------------------|--------------------|-------------------|
| Day 1¹ | | | | | |
| NAV of each classes prior to Day 1 | 200,000,000.00 | 50,000,000.00 | 50,000,000.00 | 50,000,000.00 | 50,000,000.00 |
| Less: Value of repurchases for the day | - | - | - | - | - |
| Value of the Fund before Income & Expenses | 200,000,000.00 | 50,000,000.00 | 50,000,000.00 | 50,000,000.00 | 50,000,000.00 |
| Multi-class ratio[^] for Day 1 | 100% | 25% | 25% | 25% | 25% |
| Add: Income | 500,000.00 | 125,000.00 | 125,000.00 | 125,000.00 | 125,000.00 |
| Less: Fund expenses | (15,000.00) | (3,750.00) | (3,750.00) | (3,750.00) | (3,750.00) |
| Net income / (loss) | 485,000.00 | 121,250.00 | 121,250.00 | 121,250.00 | 121,250.00 |
| Gross Asset Value | 200,485,000.00 | 50,121,250.00 | 50,121,250.00 | 50,121,250.00 | 50,121,250.00 |
| Less: <u>Management fee (% p.a.)</u> | 1.65% | | | | |
| Management fee for the day | (9,063.02) | (2,265.76) | (2,265.76) | (2,265.76) | (2,265.76) |

| | Fund (USD) | USD Class (USD) | AUD Class (USD) | SGD Class (USD) | RM Class (USD) |
|---|-----------------------|----------------------|----------------------|----------------------|----------------------|
| <u>Trustee fee (% p.a.)</u> | 0.04% | | | | |
| Trustee fee for the day | (217.71) | (54.93) | (54.93) | (54.93) | (54.93) |
| NAV of the Fund for Day 1 (Before GST) | 200,475,719.27 | 50,118,929.32 | 50,118,929.32 | 50,118,929.32 | 50,118,929.32 |
| <u>Less</u> | | | | | |
| GST of 6% on the management fee for the day | (543.78) | (135.95) | (135.95) | (135.95) | (135.95) |
| GST of 6% on the trustee fee for the day | (13.06) | (3.29) | (3.29) | (3.29) | (3.29) |
| NAV of the Fund for Day 1 (after GST) | 200,475,162.43 | 50,118,790.08 | 50,118,790.08 | 50,118,790.08 | 50,118,790.08 |
| NAV per Unit ** for Day 1 (in USD) (after GST) | | 0.5012 | 0.5012 | 0.5012 | 0.5012 |
| NAV per Unit ** for Day 1 (in AUD/SGD/RM) | | 0.5012 | # 0.6168 | # 0.6626 | # 1.7527 |
| DAY 2 | | | | | |
| Prior NAV of the Fund | 200,475,162.43 | 50,118,790.08 | 50,118,790.08 | 50,118,790.08 | 50,118,790.08 |
| Value of Purchases of Units for Day 1 | @ 8,019,200.00 | @ 3,007,200.00 | @ 2,505,000.00 | @ 1,002,400.00 | @ 1,503,600.00 |
| Value of the Fund before Income & Expenses for Day 2 | 208,494,362.43 | 53,125,990.08 | 52,623,790.08 | 51,121,190.08 | 51,622,390.08 |
| Multi-class ratio[^] for Day 2 | 100% | 25.48% | 25.24% | 24.52% | 24.76% |
| Add: Income | 1,000,000.00 | 254,807.79 | 252,403.90 | 245,192.21 | 247,596.10 |
| Less: Fund expenses | (50,000.00) | (12,740.39) | (12,620.19) | (12,259.61) | (12,379.81) |
| Net income / (loss) | 950,000.00 | 242,067.40 | 239,783.70 | 232,932.60 | 235,216.30 |
| Gross Asset Value | 209,444,362.43 | 53,368,057.48 | 52,863,573.78 | 51,354,122.68 | 51,857,606.38 |
| Less: <u>Management fee (% p.a.)</u> | 1.65% | | | | |
| Management fee for the day | (9,468.03) | (2,412.45) | (2,389.73) | (2,321.56) | (2,344.28) |
| <u>Trustee fee (% p.a.)</u> | 0.04% | | | | |
| Trustee fee for the day | (229.53) | (58.49) | (57.93) | (56.28) | (56.83) |
| NAV of the Fund for Day 2 (Before GST) | 209,434,664.87 | 53,365,586.54 | 52,861,126.12 | 51,351,744.84 | 51,855,205.27 |
| <u>Less</u> | | | | | |
| GST of 6% on the management fee for the day | (568.08) | (144.74) | (143.38) | (139.29) | (140.65) |
| GST of 6% on the trustee fee for the day | (13.77) | (3.50) | (3.47) | (3.37) | (3.40) |
| NAV of the Fund for Day 2 (after GST) | 209,434,083.02 | 53,365,438.30 | 52,860,979.27 | 51,351,602.18 | 51,855,061.22 |

| | Fund (USD) | USD Class (USD) | AUD Class (USD) | SGD Class (USD) | RM Class (USD) |
|---|---------------|--------------------|--------------------|--------------------|-------------------|
| NAV per Unit** for Day 2 (in USD) | | 0.5034 | 0.5034 | 0.5034 | 0.5034 |
| NAV per Unit ** for Day 2 (in AUD/SGD/RM) | | 0.5034 | # | # | # |
| | | 0.5034 | 0.6194 | 0.6654 | 1.7603 |

Summary of Units in Circulation

| | | | | | |
|----------------|----------------|----------------|----------------|----------------|----------------|
| Day 1 | 400,000,000.00 | 100,000,000.00 | 100,000,000.00 | 100,000,000.00 | 100,000,000.00 |
| Day 2 creation | 16,000,000.00 | 6,000,000.00 | 5,000,000.00 | 2,000,000.00 | 3,000,000.00 |
| Day 2 total | 416,000,000.00 | 106,000,000.00 | 105,000,000.00 | 102,000,000.00 | 103,000,000.00 |

Note:

¹ Assuming the NAV per unit price is USD0.5000.

Using an assumption where the foreign exchange rate of **USD \$1 = RM 3.497; USD \$1 = AUD 1.2306; USD \$1 = SGD 1.322** for Day 1 and Day 2, the *NAV per Unit for Day 1 and Day 2 (in AUD/SGD/RM)* for the AUD/SGD/RM Class is a direct translation of the *NAV per Unit for Day 1 and Day 2 (in USD)* for the AUD/SGD/RM Class, times the foreign exchange rate for the particular day (e.g. Day 1: **0.5012 x AUD 1.2306 = AUD 0.6196; 0.5012 x SGD 1.322 = SGD 0.6655; 0.5012 x RM3.497 = RM 1.7604**)

@ hypothetical investment amount .

^ multi-class ratio or “MCR” is apportioned based on the size of the Class relative to the whole Fund. This means the MCR is calculated by taking the *Value of a Class before Income & Expenses* for a particular day and dividing it with the *Value of the Fund before Income & Expenses* for that same day. This apportionment is expressed as a ratio and calculated as a percentage.

** Net Asset Value of the Fund attributable to a Class of Units at a particular valuation point divided by the number of Units in Circulation for that same Class, at the same valuation point:-

=
$$\frac{\text{NAV of the particular Class of Unit}}{\text{Units in Circulation for the particular Class of Units}}$$

Note: The Manager’s rounding policy is four (4) decimal points for the purposes of publication of the NAV per Unit per Class. However, the rounding policy will not apply when calculating the Sales Charge and Repurchase Charge (where applicable) payable by Investors.

8.2 Pricing of Units

The Selling Price and the Repurchase Price shall be equivalent to the NAV per Unit. Any applicable Sales Charge and Repurchase Charge shall be payable separately from the Selling Price and Repurchase Price. During initial offer period, the Selling Price and the Repurchase Price is equivalent to the initial offer price of each Class. After initial offer period, Forward Pricing will be used to determine the Selling Price and the Repurchase Price of the respective Class, which are the NAV per Unit of each Class as at the next valuation point after the purchase request or repurchase request is received by the Manager.

An illustration of which is given below:-

Calculation of Selling Price

Units will be sold at the initial offer price during initial offer period and thereafter, the NAV per Unit of the respective Class. Any Sales Charge payable by the Unit Holder would be calculated as a percentage of initial offer price during initial offer period and thereafter, the NAV per Unit of the respective Class.

For illustration purposes, assume the following:

Amount invested: RM 1,000,000.00
 Sales Charge: 5.50% of initial offer price per Unit
 NAV per Unit: RM/USD/SGD/AUD 0.50 (Selling Price)

The investment amount, number of Units purchased and Sales Charge payable by the Unit Holder are as follows:

| Items | Formula | Amount |
|--|--|-----------------------------|
| Amount invested | - | RM/USD/SGD/AUD 1,000,000.00 |
| Number of Units purchased (of a Class) | Amount invested divided by initial offer price per Unit =RM/USD/SGD/AUD 1,000,000 ÷ RM/USD/SGD/AUD 0.50 | 2,000,000 Units |
| Sales Charge of 5.50% on initial offer price per Unit (of a Class) | Sales Charge x Initial offer price per Unit x Number of Units = 5.50% x RM/USD/SGD/AUD 0.50 x 2,000,000 Units | RM/USD/SGD/AUD 55,000.00 |

| | |
|---|--------------------------------------|
| Total amount invested | = RM/USD/SGD/AUD 1,000,000.00 |
| Add Sales Charge paid @ 5.50% of the initial offer price per Unit | = RM/USD/SGD/AUD 55,000.00 |
| GST (6% of RM/USD/SGD/AUD 55,000.00) | = RM/USD/SGD/AUD 3,300.00 |
| Total amount paid by Unit Holder | = RM/USD/SGD/AUD 1,058,300.00 |

The same calculation shall be applicable after the initial offer period except that the Selling Price shall be the NAV per Unit of the respective Class.

Calculation of Repurchase Price

The Repurchase Price shall be the initial offer price during the initial offer period and thereafter, the NAV per Unit of the respective Class. Any Repurchase Charge payable by the Unit Holder would be calculated as a percentage of the initial offer price during the initial offer period and thereafter, the NAV per Unit of the respective Class.

For illustration purposes, assume the following:

Number of Units repurchased: 100,000 Units
 Repurchase Charge: Not applicable
 NAV per Unit: RM/USD/SGD/AUD 0.50 (Repurchase Price)

The net repurchase proceeds payable to the Unit Holder are as follows:

| Items | Formula | Amount |
|--|---|--------------------------|
| Number of Units repurchased (of a Class) | - | 100,000 Units |
| Amount repurchased | Number of Units repurchased x NAV per Unit = 100,000 Units x RM/USD/SGD/AUD 0.50 | RM/USD/SGD/AUD 50,000.00 |
| Repurchase Charge is 0% of NAV per Unit (of a Class) | Repurchase Charge x Amount repurchased = 0% x RM/USD/SGD/AUD 50,000.00 | RM/USD/SGD/AUD 0.00 |

| | |
|---|-----------------------------------|
| Total amount repurchased | = RM/USD/SGD/AUD 50,000.00 |
| <u>Less Repurchase Charge of 0% of NAV per Unit</u> | = RM/USD/SGD/AUD 0.00 |
| <u>GST (6% of RM/USD/SGD/AUD 500.00)</u> | = RM/USD/SGD/AUD 0.00 |
| Total amount paid to Unit Holder | = RM/USD/SGD/AUD 50,000.00 |

Incorrect Pricing

The Manager shall take immediate action to rectify any incorrect valuation and/or pricing of the Fund and/or the Units and to notify the Trustee and the SC of the same unless the Trustee considers the incorrect valuation and/or pricing of the Fund and/or the Units is of minimal significance.

The Trustee shall not consider an incorrect valuation and/or pricing of the Fund and/or the Units to be of minimal significance if the error involves a discrepancy 0.5% or more of the NAV per Unit unless the total impact on a Unit Holder's account is less than USD10.00 or its foreign currency equivalent, if applicable. An incorrect valuation and/or pricing not considered to be of minimal significance by the Trustee shall result in reimbursement of moneys in the following manner:

- (1) if there is an over valuation and/or pricing in relation to the purchase and creation of Units, the Fund shall reimburse the Unit Holder;
- (2) if there is an over valuation and/or pricing in relation to the repurchase of Units, the Manager shall reimburse the Fund;
- (3) if there is an under valuation and/or pricing in relation to the purchase and creation of Units, the Manager shall reimburse the Fund; and
- (4) if there is an under valuation and/or pricing in relation to the repurchase of Units, the Fund shall reimburse the Unit Holder or former Unit Holder.

8.3 Sale of Units

| Class(es) | RM | USD | SGD | AUD |
|--------------------------------------|-----------|------------|------------|------------|
| Minimum initial investment | RM30,000 | USD10,000 | SGD10,000 | AUD10,000 |
| Minimum additional investment | RM10,000 | USD5,000 | SGD5,000 | AUD5,000 |

Subject to the Manager's discretion, the investor may negotiate for a lower amount or value.

Investors can obtain the Information Memorandum, account opening form and investment application form from the offices listed in **Section 12** or from any of the Manager's authorised agents. The Fund's application form can be handed directly to any of the said offices, or sent by mail, together with a cheque or bank draft made payable to "Affin Hwang Asset Management Berhad". All cheques and bank drafts have to be crossed and drawn on a local bank. Bank charges, where relevant, for outstation cheques will be borne by the investors.

Unitholdings in Different Classes

Investors should note that there are differences when purchasing Units of a Class other than RM Class in the Fund.

For illustration purposes, assume the exchange rate of a Class (other than RM Class) and RM is 2.4, and you have RM10,000 to invest. The Class (other than RM Class) is priced at USD/AUD/SGD 0.50, while the RM Class is priced at RM0.50. By purchasing Units in the RM Class, you will receive more Units for every RM invested in the Fund (i.e. 20,000 Units) compared to purchasing Units in a Class (other than RM Class) (i.e. 8,333 Units).

Upon a poll every Unit Holder present in person or by proxy shall be proportionate to the value of Unit held by him or her. Hence,, holding more number of Units may not give you an advantage when voting at Unit Holders meetings. You should note that in a Unit Holders' meeting to terminate or wind up the Fund, a special resolution may only be passed by a majority in number representing at least

three-fourths (¾) of the value of the Units held by Unit Holders voting at the meeting, and not based on number of Units held.

For first time investors

Individual or joint-application must be accompanied by a copy of the applicant’s identity card or passport or other document of identification. Application by a corporation must be accompanied by a certified true copy of its Memorandum and Articles of Association, Certificate of Incorporation, Form 24, Form 44, Form 49, the latest audited financial statement of the corporation and board resolution relating to the investment, a list of the corporation’s authorised signatories and specimen signatures of the respective signatories.

Applicants intending to invest in a Class other than RM Class are required to have a foreign currency account with any Financial Institutions as all transactions relating to the particular foreign currency will ONLY be made via telegraphic transfers.

8.4 Minimum Holdings of Units

Notwithstanding section 8.7 below, the Manager shall not be bound to comply with a repurchase request, if the said request results in the Unit Holder’s holding being less than the minimum holdings of Units required for each Class of the Fund as stipulated below:

| Class(es) | RM | USD | SGD | AUD |
|----------------------------------|--------------|--------------|--------------|--------------|
| Minimum holdings of Units | 60,000 Units | 20,000 Units | 20,000 Units | 20,000 Units |

If a Unit Holder insists on making a repurchase request knowing that after the repurchase request is satisfied by the Manager and the Unit Holder will hold less than the minimum holdings of Units, the Unit Holder is required to repurchase all the holding of Units in the Fund at the same time as the repurchase request is received by the Manager.

8.5 Repurchase of Units

Unit Holders may request for a repurchase of their investments in the Fund at any point in time by simply completing the repurchase application form and returning it to the Manager on any Business Day from 9 a.m. to 3.30 p.m. Repurchase must be made in terms of Units and not USD, RM, AUD or SGD values. The amount to be received by the Unit Holder for the repurchase of Units will be calculated in the manner illustrated under *Section 8.2* above.

8.6 Payment of Repurchase Proceeds

The Manager may repurchase Units utilising its own moneys or request the Trustee to cancel Units of the Fund for the purpose of meeting Unit Holders’ repurchase requests. You will be paid within fourteen (14) days from the day the repurchase request is received by the Manager and provided that all documentations are completed and verifiable.

However, if the request to the Trustee to repurchase or cancel the Units results in the sale of assets of the Fund, or sale of assets which cannot be liquidated at an appropriate price or on adequate terms and is as such not in the interest of existing Unit Holders, the Trustee may refuse the said request in accordance to the Deed.

Unit Holder must complete a repurchase form and elect whether to receive the proceeds in a manner of cheque or telegraphic transfer. If cheque is elected, it will be issued in the name of the Unit Holder. If telegraphic transfer is elected, proceeds will be transferred to the Unit Holder’s account.

Any incurred bank charges and other bank fees due to a withdrawal by way of telegraphic transfer, bank cheque or other special arrangement method will be borne by the Unit Holder.

8.7 Repurchase Frequency and Minimum Units Repurchased

There are no restrictions on the frequency of repurchases; however, there is a minimum amount for repurchase of Units per repurchase request for each Class.

| Class(es) | RM | USD | SGD | AUD |
|---------------------------|--------|--------|--------|--------|
| Minimum Units repurchased | 60,000 | 20,000 | 20,000 | 20,000 |

Applications for repurchase must be submitted to the Manager on any Business Day between 9.00 a.m. to 3.30 p.m. Such repurchase requests are deemed received only if all documents and forms received by the Manager are duly and correctly completed. The Manager may, with the consent of the Trustee, reserve the right to defer repurchase requests if such request would adversely affect the Fund or the interest of the Unit Holders of the Fund.

8.8 Cooling-Off

A Cooling-off Right refers to your right to apply for and receive a refund for every Unit that you paid for, provided that the Units were purchased within the Cooling-Off Period.

This right is available if you are investing in any funds managed by the Manager for the first time. This right is not applicable to you if you are:

- i. A corporation or institution;
- ii. A staff of the Manager; or
- iii. Persons registered with a body approved by the SC to deal in unit trusts.

The Cooling-off Period is six (6) Business Days from the date the purchase request is received by the Manager. You will be refunded for every Unit held based on the NAV per Unit and the Sales Charge of the particular Class, on the day those Units were first purchased and you will be refunded within 10 days from receipt of the cooling-off application.

8.9 Transfer Facility

A Unit Holder is allowed to transfer Units held by that Unit Holder, whether fully or partially, to another person who must be a Qualified Investor.

There is no minimum amount of Units required to effect a transfer except that the person who receives the Units and the Unit Holder who transfers part of the Units held by the Unit Holder must continue to hold the minimum holdings of Units to remain as a Unit Holder of a Class.

The transfer must be made in terms of Units and not USD, RM, AUD or SGD value.

8.10 Switching Facility

There are no restrictions on the frequency of switching; however, there is a minimum number of Units for switching between Class(es), as following:

| Class(es) | RM | USD | SGD | AUD |
|-------------------------|--------|--------|--------|--------|
| Minimum number of Units | 60,000 | 20,000 | 20,000 | 20,000 |

Also, Unit Holders are to note that the Manager reserves the right to reject any switching requests:

- (i) that it regards as disruptive to efficient portfolio management; or
- (ii) if deemed by the Manager to be contrary to the best interest of the Fund or the existing Unit Holders of a particular Class.

In addition, there are two (2) types of switching facilities which are available for the Fund, namely 1) switching between Classes of the Fund and 2) switching from the Fund into other funds managed by

the Manager, so long as the currency denomination of the fund that they intend to switch into is the same as the Fund. The switching processes have been individually detailed below:-

Switching between Classes of the Fund

Unit Holders are permitted to switch from their current holdings in a particular Class to any other Classes of the Fund. Switching will be made at the prevailing NAV per Unit of the Class to be switched from and the intended Class to be acquired on a Business Day, when the switching request is received or deemed to have been received by the Manager.

Investors are entitled to two (2) free switching transactions per calendar year per account when switching between the Classes of the Fund provided that they meet the *minimum holding of Units requirements of the Class that they intend to switch into. A switching fee of up to 1% of the NAV per Unit of each Class will be charged for any further switching transactions.

* There is a minimum number of Units that are required to be held within the Fund after a switching transaction is carried out. The minimum holding of Units vary between Classes as specified above.

Under no circumstances is the Unit Holder entitled to any refund of the Sales Charge (where applicable) paid on the Class being switched from, which exceeds that imposed on the intended Class to be acquired.

Switching from the Fund into other funds managed by the Manager

Unit Holders are permitted to switch from and into other funds managed by the Manager so long as the currency denomination of the fund that they intend to switch into is the same as the Fund. A switching fee of up to 1% of the NAV per Unit of the Class switched out from the Fund will be within the first six (6) months from the date of the investment by the Unit Holders.

The switching will be made at the prevailing NAV per Unit of the Fund and the intended fund to be switched into on a Business Day when the switching request is received or deemed to have been received by the Manager (subject to availability and terms of the fund that the Unit Holder intends to switch into, if any).

If a Unit Holder of the Fund wishes to switch into another fund (e.g. fund A) and the Sales Charge paid by the Unit Holder is less than the sales charge of fund A, the Unit Holder shall pay the difference between the two (2) funds. Conversely, no sales charge on fund A will be imposed on the Unit Holder, should it be less than or equal to the Sales Charge paid by the Unit Holder for the Fund.

All Unit Holders are allowed to switch into any other funds managed by the Manager (subject to the availability and terms of the fund that the Unit Holder intends to switch into).

Under no circumstances is a Unit Holder entitled to any refund on the Sales Charge that he/she has paid when he/she invested in the Fund if it exceeds the sales charge of the fund that they intend to switch into.

The Manager reserves the right to reject any switching request:-

- (1) that it regards as disruptive to efficient portfolio management; or
- (2) if deemed by the Manager to be contrary to the best interest of the Fund.

8.11 Where to Purchase and Repurchase Units

Unit Holders may make a purchase request or a repurchase request to the Manager on any Business Day from Mondays to Fridays between 9.00 a.m. to 3.30 p.m. at any of the locations set out in our Directory of Sales Offices listed under *Section 12*.

8.12 Unclaimed Moneys

Any moneys payable to Unit Holders which remain unclaimed after twelve (12) months from the date of payment will be paid to the Registrar of Unclaimed Moneys by the Manager in accordance with the requirements of the Unclaimed Moneys Act 1965 (revised 1989) and Unclaimed Moneys (Amendment) Act 2002.

8.13 Anti-Money Laundering Policies and Procedures

Pursuant to the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001, it is the responsibility of the Manager to ensure that the Manager is not used for money laundering and terrorism financing activities. To this end, the Manager has put in place anti-money laundering policies and procedures to combat such activities. Amongst others, prior to the Manager establishing or conducting business relations, particularly when opening new accounts for clients and entering into a fiduciary transaction with a client, the Manager will conduct a “Know Your Customer” procedures to identify and verify the client through documents such as identity card, passport, birth certificate, driver’s licence, constituent documents or any other official documents, whether in the possession of a third party or otherwise. Such documents shall be filed and retained by the Manager in accordance with relevant laws.

The Manager will thereafter perform a Customer Due Diligence (CDD) to identify the risk profile of each customer and will continuously monitor each customers risk profile should there be any changes. Enhanced Customer Due Diligence (EDD) is performed on customers deemed as high risk and senior management’s approval is required before a business relationship is entered into or an account is opened with such customers.

Where the Manager suspects that a particular transaction may not be genuine, a Suspicious Transactions Form (STF) shall be completed and the matter will be discussed with senior management. If senior management ascertains that there is a reasonable ground to suspect the transaction to be a money laundering or terrorism financing activity, a STF will then be submitted to the Financial Intelligence and Enforcement Department of Bank Negara Malaysia.

Investors are advised not to make payment in cash when purchasing Units of the Fund via any institutional/retail agent.

The fees, charges and expenses quoted in the Information Memorandum are exclusive of GST. From 1 April 2015 onwards, the Manager, the Trustee and other service providers of the Fund will charge GST at the rate of 6% on the abovementioned fees, charges and expenses in accordance with the Goods and Services Tax Act 2014.

9. SALIENT TERMS OF THE DEED

9.1 Rights and Liabilities of Unit Holders

Rights of Unit Holders

A Unit Holder has the right, among others, to the following:

- (1) To receive the distribution of income, participate in any increase in the value of the Units and to other such rights and privileges as set out under the Deed for the Fund;
- (2) To call for Unit Holders' meetings, and to vote for the removal of the Trustee or the Manager through a Special Resolution;
- (3) To exercise the Cooling-off Right (if applicable);
- (4) To receive annual and quarterly reports; and
- (5) To receive monthly statement of accounts.

However, a Unit Holder would not have the right to require the transfer to the Unit Holder of any of the investments of the Fund. Neither would a Unit Holder have the right to interfere with or question the exercise by the Trustee or the Manager on his behalf, of the rights of the Trustee as trustee of the investments of the Fund.

Liabilities of Unit Holders

- (1) No Unit Holder is liable for any amount in excess of the purchase price paid for the Units as determined pursuant to the Deed at the time the Units were purchased; and
- (2) Unit Holders shall not be under any obligation to indemnify the Trustee and/or the Manager in the event that the liabilities incurred by the Trustee and/or the Manager in the name of or on behalf of the Fund pursuant to and/or in the performance of the provisions of the Deed exceed the value of the assets of the Fund, and any right of indemnity of the Trustee and/or the Manager shall be limited to recourse to the Fund.

9.2 Provisions regarding Unit Holders Meetings

Quorum Required for Convening a Unit Holders Meeting

The quorum required for a meeting of the Unit Holders shall be five (5) Unit Holders, whether present in person or by proxy, provided that if the Fund or a class of Units has five (5) or less Unit Holders, the quorum required for a meeting of the Unit Holders of the Fund or a class of Units shall be two (2) Unit Holders, whether present in person or by proxy; if the meeting has been convened for the purpose of voting on a Special Resolution, the Unit Holders present in person or by proxy must hold in aggregate at least twenty five per centum (25%) of the Units in circulation of the Fund or the applicable class of Units at the time of the meeting.

Unit Holders meeting convened by Unit Holders

Unless otherwise required or allowed by the relevant laws, the Manager shall, within twenty-one (21) days of receiving a direction from not less than fifty (50) or one-tenth (1/10), whichever is less, of all the Unit Holders of the Fund or of a particular class of Units, as the case may be, summon a meeting of the Unit Holders of the Fund or of that class of Units by:

- (a) sending by post at least seven (7) days before the date of the proposed meeting a notice of the proposed meeting to all the relevant Unit Holders;
- (b) publishing at least fourteen (14) days before the date of the proposed meeting an advertisement giving notice of the proposed meeting in a national language newspaper published daily and another newspaper approved by the relevant authorities; and
- (c) specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting.

The Unit Holders may direct the Manager to summon a meeting for any purpose including, without limitation, for the purpose of:

- (a) requiring the retirement or removal of the Manager;
- (b) requiring the retirement or removal of the Trustee;
- (c) considering the most recent financial statements of the Fund;
- (d) giving to the Trustee such directions as the meeting thinks proper; or
- (e) considering any matter in relation to the Deed;

provided always that the Manager shall not be obliged to summon any such meeting unless direction has been received from not less than fifty (50) or one-tenth (1/10), whichever is less, of all the Unit Holders of the Fund or all the Unit Holders of a particular class of Units.

Unit Holders meeting convened by Manager or Trustee

Unless otherwise required or allowed by the relevant laws, the Manager or Trustee may convene a Unit Holders' meeting by giving Unit Holders of the Fund or a particular Class of Units, as the case may be, at least fourteen (14) days before the proposed meeting, a written notice of the proposed meeting and specifying the place, time and terms of the resolutions to be proposed at the meeting.

9.3 Termination of the Fund

Circumstances that may lead to the termination of the Fund

The Fund may be terminated or wound up upon the occurrence of any of the following events:-

- (a) if any new law shall be passed which renders it illegal or in the opinion of the Manager impracticable or inadvisable to continue the Fund; or
- (b) if in the reasonable opinion of the Manager it is impracticable or inadvisable to continue the Fund.

9.4 Termination of a Class of Units

If the Fund has more than one class of Units, the Manager may terminate a particular class of Units in accordance with the relevant laws. The Manager may only terminate a particular class of Units if the termination of that class of Units does not prejudice the interests of Unit Holders of any other class of Units. For the avoidance of doubt, the termination of a class of Units shall not affect the continuity of any other class of Units of the Fund.

9.5 The maximum fees and charges that may be imposed by the Manager and the steps to be taken by the Manager to increase such fees and charges

Maximum Rate of Direct Charges allowable by the Deed

- The maximum Sales Charge allowable by the Deed is **10.00%** of the NAV per Unit.
- The maximum Repurchase Charge allowable by the Deed is **3.00%** of the NAV per Unit.

Maximum Rate of Indirect Fees allowable by the Deed

- The maximum rate of annual management fee is **5.00%** per annum of the Net Asset Value of the Fund calculated and accrued daily and is calculated using the Fund's base currency.
- The maximum rate of annual trustee fee is **0.10%** of the Net Asset Value of the Fund subject to a minimum of RM18,000 per annum calculated and accrued daily (excluding foreign custodian fees and charges) and is calculated using the Fund's base currency.

Procedures to be taken to increase the Direct and Indirect Fees and Charges from the current amount stipulated in the Information Memorandum

Sales Charge

The Manager may not charge a Sales Charge at a rate higher than that disclosed in this Information Memorandum unless:-

- (a) the Manager has notified the Trustee in writing of the higher rate and the date on which such higher rate is to become effective; and
- (b) a supplemental/replacement information memorandum is issued thereafter.

Repurchase Charge

The Manager may not charge a Repurchase Charge at a rate higher than that disclosed in this Information Memorandum unless:-

- (a) the Manager has notified the Trustee in writing of the higher rate and the date on which such higher rate is to become effective; and
- (b) a supplemental/replacement information memorandum is issued thereafter

Annual Management Fee

The Manager may not charge an annual management fee at a rate higher than that disclosed in this Information Memorandum unless:

- (a) the Manager has come to an agreement with the Trustee on the higher rate;
- (b) the Manager has notified the Unit Holders of the higher rate and the date on which such higher rate is to become effective; and
- (c) a supplemental/replacement information memorandum stating the higher rate is issued thereafter.

Annual Trustee Fee

The Trustee may not charge an annual trustee fee at a rate higher than that disclosed in this Information Memorandum unless:-

- (a) the Manager has come to an agreement with the Trustee on the higher rate;
- (b) the Manager has notified the Unit Holders of the higher rate and the date on which such higher rate is to become effective; and
- (c) a supplemental/replacement information memorandum stating the higher rate is issued thereafter.

10. CLIENT COMMUNICATION

10.1 Unit Holders will / can receive regular updates on the Fund and on their investment through:-

(a) **Financial Reports**

The Manager will provide Unit Holders with an annual report within two (2) months of the Fund's financial year-end and a quarterly report within two (2) months of the end of the period covered. In both annual and quarterly report, the Manager will state its view on the performance of the portfolio and market review for the reporting period. A financial statement audited by the Fund's appointed auditor will be included in the annual report. The Trustee will prepare a report to Unit Holders in the annual reports stating its opinion on the conduct of the Manager, in particular whether the Manager had managed the Fund in accordance with the limitation on its investment powers as set out in the Deed and whether the Manager had acted in accordance with the Deed, Guidelines, securities laws and other relevant laws.

(b) **Statement of Accounts**

The Manager will issue a monthly statement to Unit Holders confirming the current shareholdings and transactions relating to their Units in the Fund.

(c) **Customer Service**

Unit Holders can seek assistance from the Manager's Customer Service personnel at the Manager's office or at any location listed in Section 12 during the office hour. Alternatively, investors can communicate via the Manager's toll free number 1-800-88-7080 or email to customercare@affinhwangam.com.

11. RELATED INFORMATION

11.1 Role of the Manager

The Manager is responsible for the investment management and marketing of the Fund, servicing Unit Holders' needs, keeping proper administrative records of Unit Holders and the Fund, ensuring compliance with stringent internal procedures and guidelines of relevant authorities.

11.2 The Investment Team

The investment team comprises a group of portfolio managers who possess the necessary expertise and experience to undertake the fund management of its unit trust funds. The investment team will meet at least once a week or more should the need arise.

Mr. Teng Chee Wai – Managing Director

Mr Teng Chee Wai is the founder of the Manager. In his capacity as the managing director of the Manager, Mr Teng manages the overall business and strategic direction as well as the management of the investment team. His hands on approach sees him actively involved in investments, product development and marketing. Mr Teng's critical leadership and regular participation in reviewing and assessing strategies and performance has been pivotal in allowing the Manager to successfully navigate the economically turbulent decade. Mr Teng's investment management experience spans more than 20 years, and his key area of expertise is in managing absolute return mandates for insurance assets and investment-linked funds in both Singapore and Malaysia. Prior to his current appointments, he was the assistant general manager (Investment) of Overseas Assurance Corporation (OAC) and was responsible for the investment function of the Group Overseas Assurance Corporation Ltd. Mr Teng began his career in the financial industry as an investment manager with NTUC Income, Singapore. He is a Bachelor of Science graduate from the National University of Singapore and has a Post-Graduate Diploma in Actuarial Studies from City University in London.

Mr. David Ng Kong Cheong – Chief Investment Officer

Mr. David joined the Manager in September 2002 as a portfolio manager and was appointed as chief investment officer on 1 September 2006, to oversee the equities, fixed income and the central dealing units. He graduated with both Bachelor of Commerce (Accounting) and Bachelor of Law degrees from Monash University in Melbourne, Australia and he is also a chartered financial analyst charter holder. In total, David has over fifteen (15) years of investment experience in managing both institutional and unit trust funds. David's key responsibilities at the Manager are setting of investment strategy for the assets under management, and the management of selected portfolios. **He is the designated fund manager for this Fund.**

Ms Esther Teo Keet Ying – Head, Fixed Income Investment

Ms Esther Teo Keet Ying is the head of fixed income investment. Prior to this, she was attached with the fixed income division of RHB Asset Management Sdn. Bhd. covering both institutional and unit trust mandates for 3 years. She began her career in KPMG Malaysia in 1999 as a consultant in financial advisory services specializing in corporate debt restructuring and recovery. Ms Esther graduated from the University of Melbourne, Australia with a Bachelor of Commerce majoring in Accounting and Finance. She has also obtained her licence from the SC since 29 April 2004 to act as a fund manager.

Mr Gan Eng Peng – Head, Equity

Gan Eng Peng joined the Manager in April 2008, bringing with him more than 15 years of experience in regional and local equities investment, corporate finance and business management. Prior to joining the Manager, Mr Gan was head of equities of investments at Pacific Mutual Fund Berhad where he led a 6 person strong regional fund management team. Prior to that, he was the general manager of business development at Pacific Mutual Fund Berhad, being overall in charge of six departments and driving the business function of the company. His other work experience included investment research at local and foreign research houses, corporate finance and running and owning an independent research house. Mr Gan graduated with a Bachelor of Science (Industrial and Business Economics) from the London School of Economics, England.

11.3 Background Information of the Trustee

Deutsche Trustees Malaysia Berhad (“DTMB”) (Company No. 763590-H) was incorporated in Malaysia on 22 February 2007 and commenced business in May 2007. The Company is registered as a trust company under the Trust Companies Act 1949, with its business address at Level 20, Menara IMC, 8 Jalan Sultan Ismail, 50250 Kuala Lumpur.

DTMB is a member of Deutsche Bank Group (Deutsche Bank), a global investment bank with a substantial private client franchise. With more than 100,000 employees in more than 70 countries, Deutsche Bank offers financial services throughout the world.

11.4 Duties and Responsibilities of the Trustee

The Trustee’s main functions are to act as trustee and custodian of the assets of the Fund and to safeguard the interests of Unit holders of the Fund. In performing these functions, the Trustee has to exercise due care and vigilance and is required to act in accordance with the relevant provisions of the Deed, the CMSA and all relevant laws. In respect of moneys paid by an investor for the application of units, the Trustee’s responsibility arises when the moneys are received in the relevant account of the Trustee for the Fund and in respect of repurchase, the Trustee’s responsibility is discharged once it has paid the repurchase amount to the Manager.

12. DIRECTORY OF SALES OFFICE

HEAD OFFICE

Suite 11-01, 11th Floor,
Menara Keck Seng,
203, Jalan Bukit Bintang,
55100 Kuala Lumpur.
Tel : (603) – 2116 6000
Fax : (603) – 2116 6100
Toll Free No : 1-800-88-7080
Email : customercare@affinhwangam.com

SELANGOR

A-7-G Jaya One,
No. 72A, Jalan Universiti,
46200, Petaling Jaya,
Selangor.
Tel: (603)-7620 1290
Fax: (603)-7620 1298

PENANG

No. 10-C-23 & 10-C-24, Precinct 10,
Jalan Tanjung Tokong,
10470 Penang.
Tel : (604) - 899 8022
Fax : (604) - 899 1916

PERAK

13A, Persiaran Greentown 7,
Greentown Business Centre,
30450 Ipoh, Perak.
Tel: (605) - 241 0668
Fax: (605) – 255 9696

JOHOR

1st Floor, No. 93,
Jalan Molek 1/29,
Taman Molek,
81100 Johor Bahru, Johor.
Tel : (607) – 351 5977
Fax : (607) – 351 5377

MELAKA

Ground Floor, No. 584,
Jalan Merdeka,
Taman Melaka Raya,
75000 Melaka.
Tel : (606) – 281 2890
Fax : (606) – 281 2937

SABAH

Lot No. B-2-09, 2nd Floor,
Block B, Warisan Square,
Jalan Tun Fuad Stephens,
88000 Kota Kinabalu,
Sabah.
Tel : (6088) - 252 881
Fax : (6088) - 288 803

SARAWAK

Ground Floor, No. 69,
Block 10, Jalan Laksamana Cheng Ho,
93200 Kuching,
Sarawak.
Tel : (6082) – 233 320
Fax : (6082) – 233 663

1st floor, Lot 1291,
Jalan Melayu, MCLD,
98000 Miri,
Sarawak.
Tel : (6085) - 418 403
Fax : (6085) – 418 372

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