

INFORMATION MEMORANDUM

PHILLIP VALUE GROWTH FUND



Information Memorandum

Phillip Value Growth Fund

Manager

Phillip Capital Management Sdn Bhd

Registration No.: 199501004372 (333567-D)

Trustee

CIMB Commerce Trustee Berhad

Registration No.: 199401027349 (313031-A)

The date of constitution of the Phillip Value Growth Fund is 27th April 2021

This Information Memorandum is dated 3rd May 2021. Investors are advised to read the Information Memorandum and obtain professional advice before subscribing to Units of the Phillip Value Growth Fund. For information concerning Risk Factors which should be considered by prospective investors, see “Risk Factors” commencing on Page 7.

Responsibility Statements and Statements of Disclaimer

Responsibility Statements

This Information Memorandum in relation to the Phillip Value Growth Fund has been seen and approved by the directors of Phillip Capital Management Sdn Bhd 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.

Statements of Disclaimer

The Securities Commission Malaysia will not be liable for any non-disclosure on the part of Phillip Capital Management Sdn Bhd and takes no responsibility for the contents of this 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. Additionally, prospective investors should not treat the contents of this Information Memorandum as advice relating to investment, law or taxation and must rely on their own legal counsel, accountants and/or other professional advisers as to legal, tax and related matters concerning the Phillip Value Growth Fund and investments therein.

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 AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR PROFESSIONAL ADVISERS IMMEDIATELY.

Additional Statements

Investors should note that they may seek recourse under the Capital Markets and Services Act 2007 for breaches of securities laws including any statement in this Information Memorandum that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Information Memorandum or the conduct of any other person in relation to the Fund.

This Information Memorandum does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation.

Additional Disclosures on Personal Information

Investors are advised to read and understand the full personal data or information related disclosures which will be given to you together with the application form before purchasing Units of the Fund. The said disclosures consist of, but is not limited to, Phillip Capital Management Sdn Bhd being entitled to transfer, release or disclose from time to time any information relating to the Unit Holders to any of Phillip Capital Management Sdn Bhd's parent company, subsidiaries, associate companies, affiliates, delegates, service providers and/or agents (including any outsourcing agents and/or data processors) for any purpose on the basis that the recipients shall continue to maintain the confidentiality of information disclosed as required by laws, regulations or directives, regulatory agency, government body or authority, or in relation to any legal action to any court.

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Corporate Directory

Manager

Phillip Capital Management Sdn Bhd
Registration No.: 199501004372 (333567-D)

Registered Office:
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Off Jalan Kuchai Lama
58200 Kuala Lumpur

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Fax: 603-7981 9912

Business Address:
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No. 12, Jalan Yap Kwan Seng,
50450 Kuala Lumpur.

Tel: (603) 2783 0300/ 2166 8099
Fax: (603) 2166 5099
Email: pcm@poems.com.my

Trustee

CIMB Commerce Trustee Berhad
Registration No.: 199401027349 (313031-A)

Registered Office:
Level 13, Menara CIMB,
Jalan Stesen Sentral 2,
Kuala Lumpur Sentral,
50470 Kuala Lumpur

Tel: 03-2261 8888
Fax: 03-2261 0099

Business Office:
Level 21, Menara CIMB,
Jalan Stesen Sentral 2,
Kuala Lumpur Sentral,
50470 Kuala Lumpur

Tel: 03-2261 8888
Fax: 03-2261 9889
Email: ss.corptrust@cimb.com
Website: www.cimb.com

Definition

In this Information Memorandum, the following abbreviations or words shall have the following meaning unless otherwise stated:

Bursa Malaysia	Means the stock exchange managed or operated by Bursa Malaysia Securities Berhad;
Base Currency	Means the base currency of the Fund, i.e., RM;
Business Day	Means a day on which Bursa Malaysia is open for trading;
CMSA	Means the Capital Markets and Services Act 2007 as may be amended from time to time;
Deed	Means the deed dated 27 th April 2021 relating to the Fund entered into between the Manager and the Trustee and any supplemental deed(s) thereto;
Deposits	Means placements of cash in any deposits or investment accounts with any financial institution(s) that are not embedded with or linked to financial derivative instruments;
Financial Institution(s)	Means: - (a) If the institution is in Malaysia: i. Licensed bank as defined in the Financial Services Act 2013; ii. Licensed investment bank as defined in the Financial Services Act 2013; iii. Licensed Islamic bank as defined in the Islamic Financial Services Act 2013; and iv. Development financial institution regulated under the Development Financial Institutions Act 2002. (b) If the institution is outside Malaysia, any institution that is licensed/registered/approved/authorized by the relevant banking regulator in the said countries to provide financial services;
Fund	Means Phillip Value Growth Fund;
Guidelines	Means the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the SC as may be amended from time to time;
High Water Mark (HWM)	Means: (a) where the Fund is subject to performance fee at the end of the previous Performance Period, the NAV per Unit (after deducting the performance fee) on the last Valuation Point of the previous Performance Period less any income distribution declared in the previous Performance Period; or (b) where the Fund is not subject to performance fee at the end of the previous Performance Period, the HWM for the previous Performance Period less any income distribution declared in the previous Performance Period, and is the minimum returns that the Fund must achieve before the Manager is entitled to charge a performance fee. For the avoidance of doubt, the HWM at launch will be the initial offer price of the Fund plus a hurdle rate of 4%, and the hurdle rate will only be added to determine the HWM at the beginning of the first Performance Period in each financial year of the Fund. However, the hurdle rate will not be added if the Manager is not entitled to any performance fee in the entire preceding financial year of the Fund;
Information Memorandum	Means the Fund's information memorandum and any supplemental or replacement information memorandum;
Manager / PCM / Us / We	Refers to Phillip Capital Management Sdn Bhd;
Medium to long term	Means a period of 3 to 5 years;
NAV	Means the net asset value of the Fund which is defined as the total value of the Fund's assets less the Fund's liabilities at the Valuation Point;
NAV per Unit	Means the NAV of the Fund divided by the total number of Units in circulation at the valuation point;
Performance	Means a period of 3 months ending on the last day of July, October, January and April

Period	in a financial year of the Fund;
RM	Means Ringgit Malaysia, the lawful currency of Malaysia;
SC	Means the Securities Commission Malaysia established under the Securities Commission Malaysia Act 1993;
Sophisticated Investor(s)	<p>Refers to:</p> <ol style="list-style-type: none"> i. An individual whose total net personal assets, or total net joint assets with his or her spouse, exceeds RM3 million or its equivalent in foreign currencies, excluding the value of the individual's primary residence; ii. An individual who has a gross annual income exceeding RM300,000 or its equivalent in foreign currencies per annum in the preceding 12 months; iii. An individual who, jointly with his or her spouse, has a gross annual income exceeding RM400,000 or its equivalent in foreign currencies per annum in the preceding 12 months; iv. A corporation with total net assets exceeding RM10 million or its equivalent in foreign currencies based on the last audited accounts; v. A partnership with total net assets exceeding RM10 million or its equivalent in foreign currencies; vi. A unit trust scheme or prescribed investment scheme or private retirement scheme as defined under the CMSA; vii. A closed-end fund approved by the SC; viii. A company that is registered as a trust company under the Trust Companies Act 1949 which has assets under management exceeding RM10 million or its equivalent in foreign currencies; ix. A corporation that is a public company under the Companies Act 2016 which is approved by the SC to be a trustee under the CMSA and has assets under management exceeding RM10 million or its equivalent in foreign currencies; x. A statutory body established by an act of parliament or an enactment of any state; xi. A pension fund approved by the director general of inland revenue under section 150 of the Income Tax Act 1967; xii. Central Bank of Malaysia established under the Central Bank of Malaysia Act 2009; xiii. A holder of a capital markets services license and an executive director or a chief executive officer of a holder of a capital markets services license; xiv. A licensed bank as defined in the Financial Services Act 2013; xv. A licensed Islamic bank as defined in the Islamic Financial Services Act 2013; xvi. A licensed insurer as defined in the Financial Services Act 2013; xvii. A licensed takaful operator as defined in the Islamic Financial Services Act 2013; xviii. A Labuan bank or an insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; xix. A takaful licensee as defined in the Labuan Islamic Financial Services and Securities Act 2010; and xx. Such other investor(s) as may be permitted by the SC from time to time and/or defined under the relevant guidelines;
Trustee	Means CIMB Commerce Trustee Berhad;
Unit(s)	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;
Unit Holder(s) or you	Refers to a Sophisticated Investor who is registered pursuant to the Deed as the holder of Units including persons jointly registered;
Valuation Point	Means the last Business Day of each month.

1.0 Fund Information

1.1 Information of the Fund							
Name of Fund	Phillip Value Growth Fund						
Fund Category	Equity						
Fund Type	Growth & Income						
Base Currency	RM						
Investment Objective	The Fund aims to achieve long term capital growth with regular income distribution.						
Investors' Profile	<p>The Fund is suitable for Sophisticated Investors who:</p> <ol style="list-style-type: none"> i. have a long-term investment horizon; and ii. seek regular income. <p>The Units can only be offered to Sophisticated Investors (applicable to principal and joint holder).</p>						
Asset Allocation	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Asset Type</th> <th style="width: 40%;">Asset Allocation</th> </tr> </thead> <tbody> <tr> <td>Equities and equity-related securities</td> <td>60% - 100% of the Fund's NAV</td> </tr> <tr> <td>Fixed income securities, Deposits, money market instruments and/or collective investment schemes investing in money market instruments and/or Deposits.</td> <td>Up to 40% of the Fund's NAV</td> </tr> </tbody> </table>	Asset Type	Asset Allocation	Equities and equity-related securities	60% - 100% of the Fund's NAV	Fixed income securities, Deposits, money market instruments and/or collective investment schemes investing in money market instruments and/or Deposits.	Up to 40% of the Fund's NAV
Asset Type	Asset Allocation						
Equities and equity-related securities	60% - 100% of the Fund's NAV						
Fixed income securities, Deposits, money market instruments and/or collective investment schemes investing in money market instruments and/or Deposits.	Up to 40% of the Fund's NAV						
Investment Strategy	<p>The Fund aims to achieve its objective by adopting a flexible allocation strategy where the Fund may invest up to 100% of its NAV in equities and equity-related securities (minimum equity allocation is 60%) listed on Bursa Malaysia. The balance of the Fund's NAV that is not invested in equities and equity-related securities will be invested in fixed income securities, Deposits, money market instruments and/or collective investment schemes investing in money market instruments and/or Deposits depending on the economy and market outlook.</p> <p>Equities and equity-related securities In managing the Fund, we adopt a value and growth criteria for its investment selection by analyzing the characteristic of market data to obtain the beta (market) gain. By analyzing the fundamental and financial ratio of individual stocks, we adopt the scoring system to enhance the stock picking process. Detail analysis of growth perspective will be applied on the stock pool to enable the grasping of trading opportunities, hence creating the alpha (outperform) profits.</p> <p>The Fund may invest in equities listed on Bursa Malaysia based on the following investment approaches:</p> <ul style="list-style-type: none"> • Value investing approach which applies soft quantitative measures which is based on Return on Equity (ROE) and dividend model plus subjective selection based on non-cyclical businesses and brand leaders with growth prospect in its respective sectors/industries; and • Growth investing approach which is based on prospective growth factors of the businesses that can generate year over year double digit growth on the net profit of the businesses. <p>Fixed income securities and money market instruments The Fund shall only invest in fixed income securities issued by the Malaysian government, state government, Bank Negara Malaysia and any other government related or state related bodies.</p> <p>As for our strategy for the Fund's investment in money market instruments, the Fund shall invest in money market instruments that carry at least an investment grade credit rating of BBB or P3 assigned by RAM or MARC. Should the credit ratings of the money market instruments be downgraded to</p>						

	<p>lower than BBB or P3, we reserve the right to deal with the said investment in the best interest of the Unit Holders including to withdraw the invested money market instruments within a reasonable time frame.</p> <p>Collective investment schemes The Fund shall only invest in collective investment schemes which are investing in money market instruments and/or Deposits.</p>
Principal Risks	<ul style="list-style-type: none"> i. Stock specific risk ii. Liquidity risk iii. Concentration risk iv. Economic risk v. Interest rate risk vi. Credit and default risk vii. Performance risk due to large redemptions
Benchmark	FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBMKLCI)
Financial Year End	30 th April
Income Distribution Policy & Mode of Distribution	<p>Subject to availability of income, the Fund intends to distribute its income on a yearly basis. The source of income, if any, for the purpose of distribution shall be derived from realized income and/or gain.</p> <p>Distribution will be made based on the Units held by the Unit Holders on the entitlement date via the following options:</p> <ul style="list-style-type: none"> i. Cash distribution which will be credited into Unit Holder's bank account; or ii. Reinvestment for additional Units into Unit Holder's account based on the NAV per Unit after the distribution (i.e.: ex-distribution price). <p>If no option is made on the mode of distribution by the Unit Holders or the amount of income to be distributed to the Unit Holders is less than RM10,000.00, the income distribution will be automatically reinvested.</p> <p>We have the discretion to decide on the mode of distribution and the amount to be distributed to the Unit Holders.</p>
Permitted Investments	<p>The Fund may invest in the following permitted investments:</p> <ul style="list-style-type: none"> i. Equities and equity-related securities listed on Bursa Malaysia; ii. Deposits with financial institutions; iii. Money market instruments; iv. Units or shares of collective investment schemes; v. Unlisted securities that have been approved by the SC for listing and quotation on Bursa Malaysia; vi. Fixed income securities; and vii. Other investments as may be agreed between the Manager and the Trustee from time to time.
Investment Restriction and Limit	<p>The Fund will be managed in accordance with the following investment restrictions and limits:</p> <ul style="list-style-type: none"> i. The value of the Fund's investment in ordinary shares issued by any single issuer must not exceed 20% of the Fund's NAV. ii. There is no restriction or limit for the Fund's investments in money market instruments and Deposits issued by or placed with, as the case may be, any single issuer/financial institution but such investments are subject to the Fund's asset allocation limit. iii. There is no restriction or limit for the Fund's investments in fixed income securities and collective investment schemes issued by any single issuer but such investments are subject to the Fund's asset allocation limit.
Initial Offer Price	RM 1.0000 per Unit
Initial Offer Period	<p>15 Business Days from the date of the Information Memorandum.</p> <p><i>Note:</i> <i>The initial offer period may be shortened if we determine that it is in the best</i></p>

	<i>interest of investors to commence investments for the Fund.</i>
1.2 Transaction Details	
Minimum Initial Investment	RM100,000.00 or such other amount as may be determined by the Manager from time to time.
Minimum Additional Investment	RM10,000.00 or such other amount as may be determined by the Manager from time to time.
Cooling off Period	Not available.
Frequency of Redemption of Units	Once a month.
Minimum Units for Redemption	Minimum 10,000 Units or such other number of Units as may be determined by the Manager from time to time.
Minimum Investment Balance	10,000 Units or such other number of Units as may be determined by the Manager from time to time. The Manager will at its discretion, require the Unit Holders to redeem all the Units should the remaining balance is less than 10,000 Units; subject to the availability of assets.
Cut Off Time & Date	4.00 pm on the 25 th day of each calendar month.
Purchase Application	Purchase application received on or prior to the cut off time and date will be processed based on the NAV per Unit as at the next Valuation Point after the request for purchase of Units is received by the Manager, subject to the clearance of cheque payment on the Valuation Point.
Redemption of Units and Payment of Redemption Proceeds	Redemption application received on or prior to the cut off time and date will be processed based on the NAV per Unit as at the next Valuation Point after the request for redemption of Units is received by the Manager. Payment for redemption application received on or prior to the cut off time and date will be made within seven (7) Business Days from the next Valuation Point. However, if the total redemption amount received by the Manager by the cut-off time and date for a particular month exceeds 30% of the Fund's NAV, the Manager reserves the right to pay the redemption proceeds to Unit Holders within thirty (30) days from the relevant Valuation Point.
Transfer Facility	Not available as transfer from one Unit Holder to another is prohibited for this Fund.
Switching Facility	Not available as switching from this Fund into other funds managed by the Manager is not permitted.
1.3 Fee, Charges and Expenses	
Sales Charge	Up to 3.00% of the subscription amount of the Fund.
Management Fee	1.50% per annum of the NAV of the Fund. The management fee is calculated, accrued and payable to the Manager on monthly basis.
Trustee Fee	Up to 0.04% per annum of the NAV of the Fund, subject to a minimum fee of RM 12,000 per annum (excluding foreign custodian fees and charges). The trustee fee is calculated, accrued and payable to the Trustee on monthly basis.
Performance Fee	20.00% on the appreciation in the NAV per Unit (before deducting the performance fee) over and above the HWM during the Performance Period. <i>Please refer to section 3.6 for more details on the performance fee.</i>
Expenses Related to the Fund	Other expenses which are directly related and necessary to the operation and administration of the Fund may be charged to the Fund.
1.4 Additional Information	
Reporting to Unit Holders	The Manager will send monthly statement, quarterly report and annual report to Unit Holders.

2.0 Risk Factors

This section provides potential investor with information on the general risks involved when investing in the Fund and the specific risk associated with the investment portfolio of the Fund.

2.1 General Risks of Investing in the Fund

Market risk

Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the Fund's NAV.

Inflation risk

This is the risk that investors' investment in the Fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce investors' purchasing power even though the value of the investment in monetary terms has increased.

Manager's risk

This risk refers to the day-to-day management of the Fund by the Manager which will impact the performance of the Fund. For example, investment decisions undertaken by the Manager, as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the Deed, relevant laws or guidelines due to factors such as human error or weaknesses in operational process and systems, may adversely affect the performance of the Fund.

2.2 Specific Risks of the Fund

Stock specific risk

Price of a particular stock may fluctuate in response to events affecting individual companies such as adverse financial performance or news of a possible merger and acquisition. Price fluctuation will have an adverse effect on the NAV of the Fund.

Liquidity risk

Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. If the Fund holds assets that are illiquid, or are difficult to dispose of, the value of the Fund will be negatively affected when it has to sell such assets at unfavorable prices.

Concentration risk

The Fund may invest a relatively high percentage of its assets into a relatively small number of securities (typically 20 – 40 stocks), or into securities with a relatively high level of exposure to the same sector. This may cause the value of the Fund's investments to be easily affected by any adverse economic, political or regulatory event which affect that particular sector than a fund investing in a more diversified investment portfolio.

Economic risk

Investment returns of the Fund may be affected by a range of economic factors, including changes in interest rates, exchange rates, inflation, general share market conditions, government policies and the general state of the domestic and world economies.

Interest rate risk

Interest rate risk refers to the effect of changes in interest rate on the valuation of fixed income securities and/or money market instruments. When interest rate rises, fixed income securities and/or money market instruments prices generally decline and this may adversely affect the NAV of the Fund. The reverse may apply when interest rates fall.

Credit and default risk

The Fund will be exposed to a certain degree of credit and default risk of issuers or counterparties or financial institutions when the Fund invests in fixed income securities, money market instruments and/or makes placements in Deposits. Credit risk relates to the creditworthiness of the issuers or counterparties of the fixed income securities and money market instruments and the financial institutions where the Deposits are placed and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuers or counterparties or financial institutions may impact the value as well as liquidity of the investments. In the case of rated investments or issuers or counterparties, this may lead to a credit downgrade. Default risk relates to the risk that an issuer or a counterparty or a financial institution either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the investments. This could adversely affect the value of the Fund. The

Manager aims to mitigate this risk by performing bottom-up and top down credit research and analysis to determine the creditworthiness of the issuers or counterparties or financial institutions, and impose investment limits on exposures for issuers or counterparties with different credit profiles as a precautionary step to limit any loss that may arise directly or indirectly as a result of a defaulted transaction.

Performance risk due to large redemptions

Performance of the Fund will be adversely affected should the Fund be subjected to early upliftment of its investments due to large redemptions by Unit Holder(s). The Manager shall mitigate this risk by constantly observing the asset allocation policy and monitoring the market liquidity and pricing of the Fund's investments.

2.3 Risk Management Strategies and Techniques

The Manager seeks to mitigate the risks associated with the Fund by imposing stringent internal controls, compliance monitoring, and by virtue of its experience, skills and diligence in managing investment risks.

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 different asset classes generally exhibit different levels of risks. Please note that the returns of the Fund are not guaranteed.

The investments of the Fund carry risks and investors are recommended to read the whole Information Memorandum to assess the risks of the Fund.

Investors are reminded that the above list of risks may not be exhaustive and if necessary, they should consult their adviser(s), e.g. bankers, lawyers or independent professional advisers for a better understanding of the risks.

2.4 Minimum and Maximum Levels of Asset Allocation / Temporary Defensive Position

The asset allocation of the Fund may be reduced to below the minimum levels or increased above the maximum levels indicated at our discretion depending on the market, economic, political or other conditions. Such conditions or exceptional circumstances will include but are not limited to the following situations:

- When there is an expected sharp downturn in the equity market;
- When there is high risk of capital loss on fixed income securities due to interest rate fluctuations;
- When there is insufficient liquidity in either equity or fixed income securities for the Fund to transact efficiently;
- When there are insufficient fund assets to form an efficient portfolio; or
- When there is redemption affecting the liquidity position of the Fund.

Investments used for temporary defensive positions will include Deposits and money market instruments. When the Fund is taking a temporary defensive position, we may adopt an investment strategy for capital preservation.

3.0 Fees, Charges and Expenses

It is important that the investors fully understand the fees, charges and expenses associated with an investment in the Fund. Unless stated otherwise, all fees, charges and expenses disclosed in this Information Memorandum are exclusive of any taxes or duties which may be imposed by the government from time to time (“**Taxes**”). If these fees, charges and expenses are subject to any Taxes, such Taxes shall be borne and payable by the Unit Holders and/or the Fund (as the case may be).

Fees and Charges

The following describes the fees and charges that the investors may directly incur:

3.1 Sales Charge

Up to 3.00% of the subscription amount of the Fund.

Please note that the example below is for illustration only:

Assuming that the subscription amount of the Fund is RM300,000.00, the sales charge would be:

$$RM300,000 \times 3.00\% = RM9,000$$

3.2 Transfer Fee

Not applicable

3.3 Switching Fee

Not applicable

Fees and Expenses

The fees and expenses indirectly incurred by an investor when investing in the Fund are as follows:

3.4 Management Fee

The Manager is entitled to a management fee of up to 1.50% per annum of the NAV of the Fund. The fee is calculated, accrued and payable to the Manager on monthly basis. Please note that the example below is for illustration only:

Assuming the NAV of the Fund (before deducting the management fee and trustee fee) at the end of the month is RM30,000,000.00 with a management fee of 1.50%, then the accrued management fee at the end of the month would be:

$$\frac{RM\ 30,000,000.00 \times 1.50\%}{365\ \text{days}} = RM1,232.88\ \text{per day}$$

If there are 30 days in that month, the accrued management fee at the end of that month would be RM36,986.40 (RM1,232.88 x 30 days).

3.5 Trustee Fee

The Trustee is entitled to a trustee fee of up to 0.04% per annum of the NAV of the Fund, subject to a minimum fee of RM 12,000 per annum (excluding foreign custodian fees and charges). The trustee fee is calculated, accrued and payable on monthly basis to the Trustee.

Please note that the example below is for illustration only:

Assuming that the NAV of the Fund (before deducting the management fee and trustee fee) at the end of the month is RM30,000,000.00 with a trustee fee of 0.04%, then the accrued trustee fee at the end of the month would be:

$$\frac{\text{RM}30,000,000.00 \times 0.04\%}{365 \text{ days}} = \text{RM}32.88 \text{ per day}$$

If there are 30 days in that month, the accrued trustee fee at the end of that month would be RM986.40 (RM32.88 x 30 days).

3.6 Performance Fee

The Manager will earn a performance fee at the rate of 20% on the appreciation in the NAV per Unit (before deducting the performance fee) over and above the HWM during a Performance Period.

The performance fee is computed on a quarterly basis at the end of each Performance Period. If there is an appreciation in the NAV per Unit (before deducting the performance fee) over and above the HWM at the end of the particular Performance Period, the performance fee will be deducted from the NAV of the Fund. No performance fee is charged if the NAV per Unit (before deducting the performance fee) does not exceed the HWM at the end of the Performance Period.

Determining the High Water Mark (“HWM”)

The HWM will be determined at the beginning of each Performance Period based on the following conditions:

- (i) where the Fund is not subject to performance fee at the end of the previous Performance Period, the HWM of the previous Performance Period less any income distribution declared in the previous Performance Period will be used as the HWM; or
- (ii) where the Fund is subject to performance fee at the end of the previous Performance Period, the NAV per Unit (after deducting the performance fee) on the last Valuation Point of the previous Performance Period less any income distribution declared in the previous Performance Period will be used as the HWM.

The hurdle rate of 4% will be added to determine the HWM at the beginning of each financial year of the Fund, i.e., the 1st Performance Period in each financial year of the Fund. If the Manager is not entitled to any performance fee in the entire preceding financial year of the Fund, the hurdle rate of 4% will not be added to determine the HWM at the beginning of the financial year of the Fund.

Below is an illustration on how the performance fee is calculated,

In the 1st financial year of the Fund		1st Performance Period	2nd Performance Period	3rd Performance Period	4th Performance Period
Initial Offer Price		RM1.0000	-	-	-
Hurdle Rate		4.00%	-	-	-
HWM	(a)	RM1.0400	RM1.0400	RM1.0640	RM1.0640
NAV per Unit (before deducting the performance fee) on the last Valuation Point of the Performance Period	(b)	RM1.0300	RM1.0700	RM1.0500	RM1.1000
Excess NAV	(c) = (b) – (a)	-	RM0.0300	-	RM0.0360
Performance Fee (20% of the Excess NAV)	(d) = 20% x (c)	-	RM0.0060	-	RM0.0072
NAV per Unit (after deducting the performance fee)	(e) = (b) – (d)	-	RM1.0640	-	RM1.0928
Distributions	(f)	-	-	-	RM0.0200
Adjusted NAV per Unit to determine the HWM for the next Performance Period	(g) = (a) – (f) or (e) – (f)	-	-	-	RM1.0728

In the 2nd financial year of the Fund		1st Performance Period	2nd Performance Period	3rd Performance Period	4th Performance Period
Hurdle Rate		4.00%	-	-	-
HWM	(a)	RM1.1157	RM1.1157	RM1.1157	RM1.1271
NAV per Unit (before deducting the performance fee) on the last Valuation Point of the Performance Period	(b)	RM1.1000	RM1.1100	RM1.1300	RM1.1000
Excess NAV	(c) = (b) – (a)	-	-	RM0.0143	-
Performance Fee (20% of the Excess NAV)	(d) = 20% x (c)	-	-	RM0.0029	-
NAV per Unit (after deducting the performance fee)	(e) = (b) – (d)	-	-	RM1.1271	-
Distributions	(f)	-	-	-	RM0.0200
Adjusted NAV per Unit to determine the HWM for the next Performance Period	(g) = (a) – (f) or (e) – (f)	-	-	-	RM1.1071

Based on the figures in the example above, as the hurdle rate will only be added to determine the HWM at the beginning of each financial year of the Fund, the HWM for the 1st Performance Period for Year 1 will be RM1.0400 [i.e., RM1.00 (initial offer price) + 4% (hurdle rate)]. On the last Valuation Point of the 1st Performance Period, as the NAV per Unit fell to MYR1.0300, which is lower than the HWM for the 1st Performance Period, the HWM for the 2nd Performance Period will be maintained as RM1.0400. As the NAV per Unit rises to RM1.0700 on the last Valuation Point of the 2nd Performance Period, which is higher than the HWM for the 2nd Performance Period, the HWM for the 3rd Performance Period will be increased to RM1.0640 (i.e., the NAV per Unit (after deducting the performance fee) on the last Valuation Point of the 2nd Performance Period). On the last Valuation Point of the 4th Performance Period, as the NAV per Unit rises to RM1.1000, which is higher than the HWM for the 4th Performance Period (i.e., RM1.0640), and there is an income distribution of RM0.0200 per Unit declared in the 4th Performance Period, the adjusted NAV per Unit which will be used to determine the HWM for the next Performance Period will be RM1.0728 [i.e., the NAV per Unit (after deducting the performance fee) less income distribution declared].

The hurdle rate will be added to determine the HWM for the 1st Performance Period for Year 2. As the adjusted NAV per Unit on the last Valuation Point of the 4th Performance Period for Year 1 is RM1.0728, the HWM for the 1st Performance Period for Year 2 will be RM1.1157 [i.e., RM1.0728 + 4% (hurdle rate)]. Although the NAV per Unit on the last Valuation Point of the 4th Performance Period for Year 2 is lower than its HWM and the Manager is not entitled to any performance fee for that Performance Period, the income distribution of RM0.0200 which was declared during that Performance Period will result in the adjusted NAV per Unit of RM1.1071 [i.e., RM1.1271 (the HWM for the 4th Performance Period of Year 2) – RM0.0200 (income distribution declared)] being used to determine the HWM for the 1st Performance Period for Year 3. As such, the HWM for the 1st Performance Period for Year 3 will be RM1.1514 [RM1.1071 (the adjusted NAV per Unit of the previous Performance Period) + 4% (hurdle rate)] because the Manager was entitled to a performance fee in one of the Performance Periods in Year 2.

If the Manager is not entitled to any performance fee for the entire preceding financial year of the Fund, the HWM used in the previous Performance Period will be maintained and the hurdle rate of 4% will not be added in determining the HWM for the 1st Performance Period for the next financial year of the Fund.

Calculation of Performance Fee

Based on the above example, assuming there are 10,000,000 Units in circulation at the end of the 4th Performance Period for Year 1.

Performance fee = The difference between the NAV per Unit (before deducting the performance fee) and the HWM x 20% x total number of Units in circulation
= (RM1.1000 – RM1.0640) x 20% x 10,000,000 Units

$$\begin{aligned} &= \text{RM}0.036 \times 20\% \times 10,000,000 \text{ Units} \\ &= \text{RM}72,000 \end{aligned}$$

3.7 Expenses Related to the Fund

The following is a list of the expenses which are directly related and necessary to the operation and administration of the Fund:

- i. audit fees;
- ii. commission or fees paid to brokers/dealers;
- iii. sub-custodians' fees and charges;
- iv. tax adviser's fee;
- v. taxes and other duties imposed by the government and/or other authorities;
- vi. valuation fees incurred for the valuation of any investment of the Fund by independent valuers for the benefit of the Fund;
- vii. cost for modification of the Deed save where such modification is for the benefit of the Manager and/or the Trustee;
- viii. costs incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;
- ix. the cost of printing and distributing annual and quarterly reports and other notices to the Unit Holders; and
- x. any other expenses allowed under the Deed.

3.8 Rebates and Soft Commission

The Manager will not retain any rebates or otherwise share in any commission from any broker and/or dealer in consideration for direct dealings in the investments of the Fund. Accordingly, any rebates and shared commissions will be directed to the account of the Fund.

Notwithstanding the aforesaid, the Manager may receive goods or services by way of soft commissions provided always that the goods or services are of demonstrable benefit to Unit Holders and in the form of research and advisory services that assist in the decision-making process relating to the Fund's investments. Any transaction carried out by or on behalf of the Fund shall be executed on terms which are the most favorable for the Fund.

3.9 Tax

The Manager, the Trustee and other service providers may impose any tax in addition to any fees and/or charges in respect of any Units, and the Unit Holder and/or the Fund (as the case may be) shall pay all such tax as may be applicable.

Investors should be aware that all fees, charges and expenses referred to or quoted in this Information Memorandum and the Deed are subject to any tax as may be imposed by the government or other authorities from time to time.

4.0 Transaction Information

4.1 Valuation of Investment

The Fund will be valued at the end of the day of the Valuation Point. The Manager, may at its discretion, consider additional valuation point(s) for the Fund if it deems fit.

Valuation Basis

Investment Instruments	Basis of Valuation
Securities listed on Bursa Malaysia (including listed equities related securities, listed fixed income securities and listed collective investment schemes)	<p>Last done market price available at the close of the Business Day.</p> <p>However, if:</p> <ul style="list-style-type: none"> a valuation based on the market price does not represent the fair value of the listed securities, for example during abnormal market conditions; or no market price is available, including in the event of a suspension in the quotation of the listed securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, <p>then, the listed securities will be valued at fair value, as determined in good faith by the Manager, based on the methods or bases approved by the Trustee after appropriate technical consultation.</p>
Money market instruments	Money market instruments are valued based on the value provided by the Financial Institutions that issue the money market instruments.
Deposits	Deposits are valued by reference to the principal value and the accrued income thereon for the relevant period.
Unlisted fixed income securities	<p>Unlisted fixed income securities are valued by reference to the fair value prices quoted by BPA.</p> <p>In a case where we are of the view that the price quoted by BPA for a specific unlisted fixed income security differs from our view of the market price by more than twenty (20) basis points, we may use the market price for valuation, provided that we record our basis for using such price, obtain the necessary internal approvals to use such price and keep an audit trail of all decisions and basis for adopting such price.</p>
Unlisted collective investment schemes	Unlisted collective investment schemes are valued based on the last published repurchase price.
Any others instruments	Any other instruments will be valued at fair value as determined in good faith by the Manager.

4.2 Computation of NAV

The NAV per Unit of the Fund is calculated by dividing the NAV of the Fund by the total number of Units in circulation at the Valuation Point rounded to 4 decimal places. The illustration is shown below:

	RM
Securities Investment	37,850,000.00
Add : Cash	2,000,000.00
Less : Liabilities	1,000,000.00
NAV before deducting management fee and trustee fee for the month	38,850,000.00
(Less) : Management fee (1.50% per annum x RM38,850,000.00) / 365 days If there are 30 days in that month, the accrued management fee at the end of that month would be RM47,897.40 (RM1,596.58 x 30 days).	47,897.40
(Less) : Trustee fee (0.04% per annum x RM38,850,000.00) / 365 days If there are 30 days in that month, the accrued trustee fee at the end of that month would be RM1,277.40 (RM42.58 x 30 days).	1,277.40
(Less) : Performance fee - 20% (if any)	-
(Less) : Distribution (if any)	-
NAV	38,800,825.20
Units in Circulation	30,000,000
NAV per Unit	1.2934*
*RM38,800,825.20 / 30,000,000 Units	

4.3 Unit Pricing

Selling Price

The Fund adopts a single pricing policy to price the Units in relation to investment and redemption of Units. During the initial offer period of the Fund, the selling price is fixed at RM1.0000. After the initial offer period of the Fund, the selling price is the NAV per Unit as at the next Valuation Point of the Fund after a complete application to purchase Units is received by the Manager. The selling price does not include any sales charge.

The selling price of each Unit is calculated based on the NAV per Unit of the Fund as at the next Valuation Point after a complete application form and payment is received by the Manager ("forward pricing").

Example:

NAV per Unit	<i>RM1.0000</i>
Sales charge	<i>3% of NAV per Unit</i>

Assuming the NAV per Unit on a Valuation Point is RM1.0000 and if you make a payment of RM300,000.00, the amount to be invested in the Fund and the sales charge to be paid by you are calculated as follows:

<i>Total amount invested</i>	<i>= RM300,000.00</i>
<i>Total sales charge (3.0%) incurred (3.0% x RM300,000.00)</i>	<i>= RM9,000.00</i>

Total amount to be paid by you = RM309,000.00

Units issued to you = RM300,000/RM1.0000 = 300,000 Units

Note:

The above example shows that the sales charge is calculated separately from the amount invested, whereas the sales charge imposed is deducted upfront from the total amount paid by the investors.

Redemption Price

During the initial offer period of the Fund, the redemption price is fixed at RM1.0000. After the initial offer period of the Fund, the redemption price is the NAV per Unit as at the next Valuation Point of the Fund after a redemption request is received by the Manager.

4.4 Incorrect Pricing

The Manager shall take immediate action to rectify any incorrect valuation and pricing of the Fund and/or the Units and to notify the Trustee and the relevant authorities of the same unless the Trustee considers the incorrect valuation and pricing of the Fund and/or the Units is of minimal significance. Where such error has occurred, the Manager shall reimburse the money unless the Trustee considers that such incorrect valuation and pricing of the Fund and/or the Units is of minimal significance.

The Trustee shall not consider an incorrect valuation and pricing of the Fund and/or the Units to be of minimal significance if the error involves a discrepancy of 0.5% or more of the NAV per Unit unless the total impact on a Unit Holder's account is less than RM10.00. An incorrect valuation and pricing not considered to be of minimal significance by the Trustee shall result in reimbursement of moneys in the following manner:

- (a) if there is an over valuation and pricing in relation to the purchase and creation of Units, the Fund shall reimburse the Unit Holder;
- (b) if there is an over valuation and pricing in relation to the redemption of Units, the Manager shall reimburse the Fund;
- (c) if there is an under valuation and pricing in relation to the purchase and creation of Units, the Manager shall reimburse the Fund; and
- (d) if there is an under valuation and pricing in relation to the redemption of Units, the Fund shall reimburse the Unit Holder or former Unit Holder.

4.5 Making an Investment

The minimum initial investment and minimum additional investment of the Fund are as follows: -

Minimum Initial Investment	Minimum Additional Investment
RM100,000 or such other amount as may be determined by the Manager from time to time.	RM10,000 or such other amount as may be determined by the Manager from time to time.

The purchase application of the Fund is processed on monthly basis. Application for any purchase application received by the Manager on or before the cut off time and date and clearance of cheque by the next Valuation Point, the Units would be created based on the NAV per Unit as at the next Valuation Point after the request for purchase of Units is received and accepted by the Manager. Any application received or deemed to have been received after the cut-off time and date and/or cheque not cleared by the next Valuation Point would be considered as being transacted on the following month.

4.6 Redemption of Units

Redemption request/application can be made on monthly basis.

For any redemption application received by the Manager on or before the cut off time and date, the Units would be cancelled based on the NAV per Unit as at the next Valuation Point. Any redemption application received or deemed to have been received after the cut-off time and date would be considered as being transacted on the following month.

Minimum Redemption

The minimum Units for redemption is 10,000 Units or such other number of Units as may be determined by the Manager.

The minimum investment balance that an investor of the Fund must always maintain in its account is 10,000 Units. If the remaining investment balance is less than 10,000 Units or any other number of Units

as may be determined by the Manager due to a redemption request, the Manager has the right to redeem the entire investment and close the account of the Unit Holder and forward all the proceeds to the Unit Holder without prior notice.

Payment of Redemption Proceeds

Redemption proceeds will be paid within seven (7) Business Days from the next Valuation Point. However, if the total redemption amount received by the Manager by the cut-off time and date for a particular month exceeds 30% of the Fund's NAV, the Manager reserves the right to pay the redemption proceeds to Unit Holders within thirty (30) days from the relevant Valuation Point.

The Manager shall remit redemption proceeds to the Unit Holder's personal or corporate banking account under the name of the Unit Holder.

4.7 Transfer Facility

Not available as transfer from one Unit Holder to another is prohibited for this Fund.

4.8 Switching Facility

Not available as switching from this Fund into other funds managed by the Manager is not permitted.

5.0 Management Company

5.1 Background Information

Phillip Capital Management Sdn Bhd (“PCM”) is a licensed fund manager. PCM was incorporated on 13 February 1995. PCM is a capital markets services license holder under the CMSA and is part of the PhillipCapital group of companies “PhillipCapital Group”), a financial services conglomerate that offers a full range of financial services and products. The fund management service of the PhillipCapital Group is available globally through several subsidiaries, namely Phillip Capital Management Pte Ltd (Singapore), Walker Crips, Weddle, Beck Plc (United Kingdom), Sovereign Asset Management Limited (Australia), Phillip Securities (Hong Kong) and Phillip Securities (Singapore).

PCM offers investment management expertise to institutions, corporations and high net-worth individuals and EPF contributors under the EPF Investment of Members Savings Scheme. PCM’s management team has collectively more than 20 years’ experience in the fund management industry.

5.2 Role, Duties and Responsibilities of the Manager

The Manager shall have discretionary authority over the investment of the Fund under their management subject to the Guidelines issued by the SC and other relevant applicable regulations. PCM is responsible for the day-to-day management of the Fund and for the development and implementation of appropriate investment strategies.

The main roles and responsibilities of PCM include:

- i. managing investments portfolio;
- ii. processing the sale and redemption of Units;
- iii. keeping proper records for the Fund;
- iv. valuing investments of the Fund; and
- v. distributing income and additional Units to the Unit Holders.

5.3 Material Litigation

As at 1 April 2021, PCM is not engaged in any material litigation and arbitration, including those pending or threatened, and is not aware of any facts likely to give rise to any proceedings which might materially affect its business/financial position.

5.4 Investment Team

Mr. Ang Kok Heng CFA
Chief Investment Officer
B. Eng. In (Mechanical), University of Malaya,
MBA, Universiti Kebangsaan Malaysia.

Mr. Ang joined PhillipCapital Group in January 2007. He graduated with a Bachelor of Engineering in Mechanical, from University of Malaya in 1980 and holds a Master Degree in Business Administration from Universiti Kebangsaan Malaysia. He is also a Fellow Member of the Chartered Institute of Management Accountants and Charterholder of CFA Institute. He started his career as a design engineer before joining Malaysian Industrial Authority (MIDA) where he spent 7 years there. Mr. Ang started the Research Department of TA Securities Berhad in 1988 and headed the department for 7 years. He was subsequently transferred and appointed as the Chief Investment Officer of TA Asset Management in 1995. He is also a regular speaker in stock market and investment seminars. Mr. Ang holds a Capital Markets Services Representative's License (CMSRL/A3984/2007).

As the Chief Investment Officer, Mr. Ang is responsible for the oversight of the overall management of the Fund.

Mr. Bernard Tan Boon Phin
Portfolio Manager
Diploma in Business Studies, Tunku Abdul Rahman College

Mr. Bernard Tan began his career as a Relationship Manager in HSBC Premier Banking in January 2007 until July 2009. He then joined Phillip Wealth Planners Sdn Bhd in July 2009 as Wealth Planner and subsequently promoted to Wealth Planning Director in February 2014. After gaining more experience and knowledge in the financial planning services, he then advanced his carrier to join PCM as Portfolio Manager in August 2016 and since then he is responsible in managing clients' investments specializing in equities.

Graduated from Tunku Abdul Rahman College with Diploma in Business Studies and a holder of Certified Financial Planner (CFP) of the Financial Planning Association of Malaysia, Mr Bernard Tan brought with him over 12 years of experience in financial services and investment related industries. Mr Bernard also holds a Capital Markets Services Representative's Licence and is the designated fund manager for the Fund for the equities portion.

Ms. Tan Sze Nee
Senior Manager, Fixed Income
Bachelor of Business Administration, University of Malaya

Ms. Tan was appointed as Fixed Income Manager of PCM in January 2015. She began her career with Phillip Mutual Berhad in August 2008 and was transferred to PCM in 2011 to grow the corporate and institutional business. Ms. Tan has a total of more than 12 years of experience in the financial industry. She holds a Capital Markets Services Representative's License and is the designated fund manager for the Fund for the money market portion.

Ms. Hazlin Binti Omar
Fixed Income Portfolio Manager
Bachelor of Business Administration (BBA) Finance, Oklahoma State University

Ms. Hazlin joined PCM in November 2020. She has more than 20 years of experience in both treasury and investment divisions of various financial institutions. She previously managed RM7 billion worth of portfolios, mainly fixed income, equities and money market where she was previously attached. Before joining PCM, she worked at RHB Islamic International Asset Management Berhad, Muamalat Invest Sdn Bhd, Bank Simpanan Nasional, Affin Trust Management Sdn Bhd, Utama Merchant Bankers Bhd and Ambank (M) Berhad. Ms. Hazlin is a licensed fund manager and is an associate member of the Financial Markets Association Malaysia. She holds a Bachelor of Science in Business & Administration (major in Finance) from Oklahoma State University, USA.

6.0 Trustee

6.1 Corporate Information

CIMB Commerce Trustee Berhad was incorporated on 25 August 1994 and is registered as a trust company under the Trust Companies Act, 1949 with its registered office at Level 13, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia. It is qualified to act as a trustee for collective investment schemes approved under the Capital Markets and Services Act 2007.

6.2 Experience as Trustee to Unit Trust Funds

CIMB Commerce Trustee Berhad has been involved in unit trust industry as trustee since 1996. It acts as trustee to various unit trust funds, real estate investment trusts, wholesale funds, private retirement schemes and exchange traded funds.

6.3 Duties and Responsibilities

The Trustee serves mainly as the custodian of the Fund and to safeguard the interest of the Unit Holders. The assets of the Fund are registered in the name of the Trustee who function independently from the Manager. The Trustee exercises all due diligence and vigilance when carrying out their functions and duties to safeguard the rights and interests of all Unit Holders. The Trustee is responsible in ensuring that we perform our responsibilities in accordance with the provisions of the Deed and the relevant laws.

6.4 Delegation of Share Custodial Functions

CIMB Commerce Trustee Berhad has delegated its custodian function to CIMB Bank Berhad ("CIMB Bank"). CIMB Bank's ultimate holding company is CIMB Group Holdings Berhad, a company listed on Bursa Malaysia. CIMB Bank provides full-fledged custodial services, typically clearing, settlement and safekeeping of all types of investment assets and classes, to a cross section of investors and intermediaries client base, both locally and overseas.

For the local Ringgit Malaysia assets, they are held through its wholly owned nominee subsidiary CIMB Group Nominees (Tempatan) Sdn Bhd. For foreign non-Ringgit Malaysia assets, CIMB Bank appoints global custodian as its agent bank to clear, settle and safekeep on its behalf and to the order of the Trustee.

All investments are automatically registered in the name of the custodian to the order of the Trustee. CIMB Bank acts only in accordance with instructions from the Trustee.

6.5 Material Litigation and Arbitration

As at 1 April 2021, there is no current material litigation and arbitration, including those pending or threatened, and the Trustee is not aware of any facts likely to give rise to any proceedings which might materially affect the business or financial position of the Trustee.

7.0 Salient Terms of the Deed

7.1 Rights of the Unit Holders

A Unit Holder has the right, amongst others:

- i. to receive distributions, if any, from the Fund;
- ii. to participate in any increase in the NAV per Unit of the Fund;
- iii. to call for Unit Holders' meetings and to vote for the removal of the Trustee or the Manager through a special resolution;
- iv. to receive monthly statement, quarterly and annual reports on the Fund; and
- v. to exercise such other rights and privileges as provided for in the Deed.

However, Unit Holders would not have the right to require the transfer to them any of the assets of the Fund. Neither would Unit Holders have the right to interfere with or to question the exercise by the Trustee (or by the Manager on the Trustee's behalf) of the rights of the Trustee as the registered owner of the assets of the Fund.

Note: Please be advised that if you invest in Units through an Institutional Unit Trust Adviser which adopts the nominee system of ownership, you will not be considered as a Unit Holder under the Deed and you may consequently not have all the rights ordinarily exercisable by a Unit Holder (for example, the right to call for a Unit Holders' meeting and to vote thereat and the right to have your particulars appearing in the register of Unit Holders of the Fund).

7.2 Liabilities of Unit Holders

A Unit Holder would not be liable for nor would a Unit Holder be required to pay any amount in excess of the purchase price paid for the Units as determined in accordance with the Deed at the time the Units were purchased.

A Unit Holder 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 Fund's assets, and any right of indemnity of the Trustee and/or the Manager shall be limited to recourse to the Fund.

7.3 Termination of the Fund

The Fund may be terminated by the Manager if a special resolution is passed at a meeting of Unit Holders to terminate or wind up the Fund.

7.4 Power to Call for Meeting by Unit Holders

7.4.1 Unit Holders' Meeting convened by the Unit Holders

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

- i. requiring the retirement or removal of the Manager;
- ii. requiring the retirement or removal of the Trustee;
- iii. considering the most recent financial statements of the Fund;
- iv. giving to the Trustee such directions as the meeting thinks proper; or
- v. considering any matter related to the Deed,

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

7.4.2 Conduct of the Unit Holders' Meeting

The quorum of a meeting of Unit Holders is five (5) Unit Holders whether present in person or by proxy, however:

- i. if the Fund has five (5) or less Unit Holders, the quorum required for a meeting of the Unit Holders shall be two (2) Unit Holders, whether present in person or by proxy; or
- ii. if the Fund has only two (2) Unit Holders, the quorum required for a meeting of the Unit Holders shall be one (1) Unit Holder, whether present in person or by proxy.

If the meeting is 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 percent (25%) of the Unit in circulation.

Every question arising at any Unit Holders' meeting shall be decided in the first instance by a show of hand. Unless a poll be demanded or if it is a question requires special resolution, a poll shall be taken. On a voting by show of hands, every Unit Holders who is present or by proxy shall have one vote.

8.0 Additional Information

8.1 Reports and Up-to-Date Information Relating to the Fund

A Unit Holder's statement showing details of the amount invested in the Fund shall be made available to the Unit Holders on a monthly basis, within seven (7) Business Days after the end of every month.

The quarterly and annual report of the Fund will be forwarded to Unit Holders no later than two (2) months after the period that such reports covered.

Unit Holders can also obtain up-to-date Fund information from our monthly fund fact sheet.

Unit Holders may also contact us during our business hours from 9.00a.m. to 5.00p.m. from Monday to Friday to obtain the latest NAV per Unit of the Fund.

Note: The Fund's annual report is available upon request.

8.2 Customer Service

When you invest in the Fund, we will send you the following:

- i. Written confirmation on all transactions and income distributions (if any);
- ii. Monthly statement of account which shows the balance of your investments and all transactions made during the month, distribution details and investment value;
- iii. Unaudited quarterly report for each of the Fund's financial quarter; and
- iv. Annual audited report for the Fund's financial year-end.

If you have any questions about the information in this Information Memorandum or would like to know more about investing in any investment funds managed by us, please contact our authorised distributors or our Customer Service Officers at 03-2783 0300 between 9.00 a.m. and 5.00 p.m., from Monday to Friday (except public holidays).

8.3 Anti-Money Laundering Policy

A customer acceptance procedure, which includes the identification and verification of identity of new customers, is conducted prior to entering into the relationship by Customer Due Diligence ("CDD").

Information, documents and evidences will be obtained depending on the types of applicant i.e. individual or corporate clients, etc. The classification of customer is based on risk-based approach whereby customers are classified into different risk level according to their background and investment threshold. Any suspicious transactions for Anti Money Laundering and Anti-Terrorist Financing and Targeted Financial Sanctions-Proliferation Financing will be reported to our compliance officer as well as to the local regulators, where applicable. All employees are required to adhere to these policies and procedures.

8.4 Unclaimed Monies Policy

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 us in accordance with the requirements of the Unclaimed Moneys Act 1965. Unit Holders will have to liaise directly with the Registrar of Unclaimed Moneys to reclaim their moneys.