

# MAMG China Evolution Equity Fund

(constituted on 3 November 2021 and launched on 3 January 2022)

Manager: Maybank Asset Management Sdn Bhd (Registration No.: 199701006283 (421779-M))

Trustee: TMF Trustees Malaysia Berhad (Registration No.: 200301008392 (610812-W))

YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS INFORMATION MEMORANDUM AND IF NECESSARY, OBTAIN PROFESSIONAL ADVICE BEFORE SUBSCRIBING TO UNITS OF THE FUND.

UNITS OF THE MAMG CHINA EVOLUTION EQUITY FUND CAN ONLY BE SOLD TO SOPHISTICATED INVESTORS.



# FIRST SUPPLEMENTARY INFORMATION MEMORANDUM

This First Supplementary Information Memorandum dated 8 February 2024 must be read together with the Information Memorandum dated 3 January 2022 for:-

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FUND	DATE OF CONSTITUTION
MAMG China Evolution Equity Fund	3 November 2021

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<b>Manager</b>	:	Maybank Asset Management Sdn Bhd (Registration No.: 199701006283 (421779-M))
<b>Trustee</b>	:	TMF Trustees Malaysia Berhad (Registration No.: 200301008392 (610812-W))

INVESTORS ARE ADVISED TO READ THIS FIRST SUPPLEMENTARY INFORMATION MEMORANDUM DATED 8 FEBRUARY 2024 TOGETHER WITH THE INFORMATION MEMORANDUM DATED 3 JANUARY 2022 AND OBTAIN PROFESSIONAL ADVICE BEFORE SUBSCRIBING TO THE FUND.

UNITS OF THE MAMG CHINA EVOLUTION EQUITY FUND CAN ONLY BE SOLD TO SOPHISTICATED INVESTORS.

## **Responsibility Statements**

This First Supplementary Information Memorandum has been seen and approved by the directors of Maybank Asset 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**

A copy of this First Supplementary Information Memorandum has been lodged with the Securities Commission Malaysia.

The Securities Commission Malaysia has not authorised or recognised the MAMG China Evolution Equity Fund and a copy of this First Supplementary Information Memorandum and the Information Memorandum dated 3 January 2022 (“Information Memorandum”) have not been registered with the Securities Commission Malaysia.

The lodgement of this First Supplementary Information Memorandum and the Information Memorandum should not be taken to indicate that the Securities Commission Malaysia recommends the MAMG China Evolution Equity Fund or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this First Supplementary Information Memorandum and the Information Memorandum.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of Maybank Asset Management Sdn Bhd responsible for the MAMG China Evolution Equity Fund and takes no responsibility for the contents in this First Supplementary Information Memorandum and the Information Memorandum. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this First Supplementary Information Memorandum and the Information Memorandum, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

**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 First Supplementary 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 First Supplementary Information Memorandum or the conduct of any other person in relation to the Fund.

The Fund will not be offered for sale in the United States of America, its territories or possessions and all areas subject to its jurisdiction, or to any U.S. Person(s). Accordingly, investors may be required to certify that they are not U.S. Person(s) before making an investment in the Fund.

**Investors are advised to read this First Supplementary Information Memorandum dated 8 February 2024 together with the Information Memorandum dated 3 January 2022.**

1. **Amendment to the information of the Trustee in “Chapter 1 - Corporate Directory” on page 1 of the Information Memorandum**

The information of the Trustee is hereby deleted in its entirety and replaced with the following:

<b>TRUSTEE</b>	TMF Trustees Malaysia Berhad (Registration No.: 200301008392 (610812-W))
<b>REGISTERED OFFICE AND BUSINESS OFFICE</b>	Level 13, Menara 1 Sentrum 201, Jalan Tun Sambanthan Brickfields, 50470 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur
<b>WEBSITE</b>	www.tmf-group.com

2. **Amendment to the definition of “Business Day” in “Chapter 2 - Definitions” on page 2 of the Information Memorandum**

The definition of “Business Day” is hereby deleted in its entirety and replaced with the following:

<b>Business Day</b>	means a day on which Bursa Malaysia is open for trading. We may declare a certain Business Day as a non-Business Day if: (i) that day is not a business day of the Target Fund, (ii) that day is a holiday in any of the foreign markets which the Fund invests in or (iii) that day is not a business day in the country of the currency of the Class.
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3. **Amendment to Switching Facility in “Chapter 5 - Transaction Details” on page 14 of the Information Memorandum**

The information on the switching facility is hereby deleted in its entirety and replaced with the following:

<b>Switching Facility</b>	<p>Unit Holders are permitted to: (i) switch from and to other funds managed by us; or (ii) between Classes, provided that both funds or Classes are denominated in the same currency. Switching is treated as a withdrawal from 1 fund or Class and an investment into another fund or Class. Switching will be made at the prevailing NAV per Unit of the Class to be switched from on a Business Day when the switching request is received and accepted by us, subject to the availability and any terms and conditions imposed by the intended fund or Class to be switched to, if any.</p> <p>There is no minimum Units for switching or restriction on the frequency of switching. However, Unit Holders must meet the minimum Unit holdings (after the switch) of the Class intended to be switch from unless they are redeeming all their investments from the Class.</p>
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Investors are advised to read this First Supplementary Information Memorandum dated 8 February 2024 together with the Information Memorandum dated 3 January 2022.

	<p>Unit Holders who switch from a fund or a Class with a lower sales charge to a fund or a Class with a higher sales charge need to pay the difference in sales charge between the sales charge of these 2 funds or Classes in addition to the switching fee. Unit Holders who switch from a fund or a Class with higher sales charge to a fund or a Class with a lower sales charge do not need to pay the difference in sales charge between these funds or Classes.</p> <p>We reserve the right to vary the terms and conditions for switching from time to time, which shall be communicated to you in writing.</p> <p><i>Note: Our distributors may set an earlier cut-off time for receiving applications in respect of switching of Units. Please check with the respective distributors for their respective cut-off time.</i></p>
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4. **Amendment to Subscription of Units in “Chapter 5 - Transaction Details” on page 15 of the Information Memorandum**

The information on the subscription of Units is hereby deleted in its entirety and replaced with the following:

<b>Subscription of Units</b>	<p>Subscription request/application can be made on any <b>Business Day</b>. There is no restriction on the frequency of subscription.</p> <p>For any subscription request/application received via e-mail notification (or by fax, if e-mail is down) by us as well as cleared funds (unless any prior arrangement is made with us) received on or before the cut-off time of 4.00 p.m. on a Business Day, the Units will be created based on the NAV per Unit as at the next valuation point after the applicable subscription of Units is received and accepted by us. Any subscription request/application received or deemed to have been received by us after this cut-off time would be considered as being transacted on the next Business Day.</p> <p><i>Note: Our distributors may set an earlier cut-off time for receiving requests/applications in respect of subscription of Units. Please check with the respective distributors for their respective cut-off time.</i></p>
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Investors are advised to read this First Supplementary Information Memorandum dated 8 February 2024 together with the Information Memorandum dated 3 January 2022.

5. Amendment to Redemption of Units and Payment of Redemption Proceeds in “Chapter 5 - Transaction Details” on pages 15 - 16 of the Information Memorandum

The information on the redemption of Units and payment of redemption proceeds is hereby deleted in its entirety and replaced with the following:

<b>Redemption of Units and Payment of Redemption Proceeds</b>	<p>Redemption request/application can be made on any <b>Business Day</b>. There is no restriction on the frequency of redemption.</p> <p>For any redemption request/application received or deemed to have been received via e-mail notification (or by fax, if e-mail is down) by us on or before the cut-off time of 4.00 p.m. on a Business Day, the Units will be cancelled based on the NAV per Unit as at the next valuation point after the request for redemption of Units is received by us. We will pay the redemption proceeds to Unit Holders within fourteen (14) Business Days from the day the redemption request/application is received by us and provided that all documentations are complete and verifiable. Any redemption request/application received or deemed to have been received by us after this cut-off time would be considered as being transacted on the next Business Day.</p> <p>However, in the event that the redemption requests/applications received by us on a Business Day constitutes 20% of the Fund’s NAV or exceeds USD500,000 in aggregate in a single Business Day (whichever is lower), the payment of redemption proceeds will be made to the Unit Holders within thirty (30) days after the redemption request/application is received by us. For partial redemption, the minimum Unit holdings remaining in the respective Classes must always be maintained. If the remaining Unit holdings is less than the minimum Unit holdings after a redemption request, full redemption will be initiated.</p> <p>Transaction costs such as charges for electronic payments, if any, will be borne by the Unit Holders and set-off against the redemption proceeds.</p> <p>We shall remit the redemption proceeds to the bank account held in the name of the Unit Holder(s).</p> <p><i>Note: Our distributors may set an earlier cut-off time for receiving requests/applications in respect of redemption of Units. Please check with the respective distributors for their respective cut-off time.</i></p>
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Investors are advised to read this First Supplementary Information Memorandum dated 8 February 2024 together with the Information Memorandum dated 3 January 2022.

6. Amendment to “Chapter 8 - Valuation Policy and Valuation Basis” on page 21 of the Information Memorandum

The information on Computation of NAV and NAV per Unit is hereby inserted immediately after Valuation Point as follows:

Computation of NAV and NAV per Unit		The NAV of the Fund is determined by deducting the value of the Fund’s liabilities from the value of the Fund’s assets at a valuation point.					
		Please note that the example below is for illustration only:					
		Fund (USD)	MYR Class (USD)	MYR (Hedged) Class (USD)	USD Class (USD)	SGD (Hedged) Class (USD)	AUD (Hedged) Class (USD)
Add:	Value of the Fund	101,500,000.00					
	Other assets (including cash) & income	200,000.00					
Less:	Liabilities	100,000.00					
	NAV of the Fund before deducting management fee and trustee fee for the day	101,600,000.00					
	<b>Multi class ratio^</b>	<b>100%</b>	<b>60%</b>	<b>10%</b>	<b>10%</b>	<b>10%</b>	<b>10%</b>
	NAV of the Class before deducting management fee and trustee fee for the day		60,960,000.00	10,160,000.00	10,160,000.00	10,160,000.00	10,160,000.00
Less:	Management fee for the day		(60,960,000 x 2.00% / 365 days)	(10,160,000 x 2.00% / 365 days)	(10,160,000 x 2.00% / 365 days)	(10,160,000 x 2.00% / 365 days)	(10,160,000 x 2.00% / 365 days)
		5,567.11	3,340.27	556.71	556.71	556.71	556.71
Less:	Trustee fee for the day		(60,960,000 x 0.04% / 365 days)	(10,160,000x 0.04% / 365 days)	(10,160,000x 0.04% / 365 days)	(10,160,000x 0.04% / 365 days)	(10,160,000x 0.04% / 365 days)

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	111.33	66.81	11.13	11.13	11.13	11.13
<b>Total NAV (USD)</b>	101,594,321.56	60,956,592.92	10,159,432.16	10,159,432.16	10,159,432.16	10,159,432.16

*^Multi class ratio is apportioned based on the size of the Class relative to the whole Fund. This means the multi class ratio is calculated by taking the value of a Class for a particular day and dividing it with the value of the Fund for that same day. This apportionment is expressed as a ratio and calculated as a percentage.*

The NAV per Unit of a Class is calculated by dividing the NAV of the Fund attributable to the Class by the number of Units in circulation of that Class at the end of each Business Day.

Assuming there are 200,000,000 Units of the Fund in circulation at the point of valuation, the NAV per Unit of a Class shall therefore be calculated as follows:

		Fund (USD)	MYR Class (USD)	MYR (Hedged) Class (USD)	USD Class (USD)	SGD (Hedged) Class (USD)	AUD (Hedged) Class (USD)
Divide:	NAV Units in circulation	101,594,321.56	60,956,592.92	10,159,432.16	10,159,432.16	10,159,432.16	10,159,432.16
	200,000,000		120,000,000	20,000,000	20,000,000	20,000,000	20,000,000
	NAV per Unit of the Class (USD)		0.5080*	0.5080*	0.5080*	0.5080*	0.5080*
	Conversion to MYR (at USD 1.00 : RM 4.50 exchange rate)		RM2.2860*	RM2.2860*			

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	Conversion to SGD (at USD 1.00 : SGD 1.40 exchange rate)	SGD0.7112
	Conversion to AUD (at USD 1.00 : AUD 1.50 exchange rate)	AUD0.7620
<p><i>*The NAV per Unit of each Class will be rounded up to 4 decimal places for the purposes of publication of the NAV per Unit.</i></p>		

*[The remainder of this page is intentionally left blank]*

Investors are advised to read this First Supplementary Information Memorandum dated 8 February 2024 together with the Information Memorandum dated 3 January 2022.

7. **Amendment to Valuation of Investment in “Chapter 8 - Valuation Policy and Valuation Basis” on pages 21 - 22 of the Information Memorandum**

The information on the valuation bases in respect of money market instruments is hereby deleted in its entirety and replaced with the following:

**Money market instruments**

Investments in commercial papers and treasury bills are valued each day based on the price quoted by a bond pricing agency (“BPA”) registered with the SC. Where we are of the view that the price quoted by BPA differs from the market price by more than 20 basis points, we may use the market price provided that we:

- (i) record our basis for using non-BPA price;
- (ii) obtain the necessary internal approvals to use the non-BPA price; and
- (iii) keep an audit trail of all decisions and basis for adopting the market yield.

For investments in money market instruments with remaining term to maturity of not more than 90 days at the time of acquisition, such instruments are valued each day based on amortised cost. The risk of using amortised cost accounting is the mispricing of the money market instruments. We will monitor the valuation of such money market instruments using amortised cost method against the market value on a daily basis and will use the market value if the difference in valuation exceeds 3%.

8. **Amendment to “Chapter 9 - Parties to the Fund” on page 22 of the Information Memorandum**

The information on the Manager is hereby deleted in its entirety and replaced with the following:

<b>The Manager</b>	Our corporate information, including our experience in operating unit trust funds is available on our website at <a href="https://www.maybank-am.com.my/corporate-profile">https://www.maybank-am.com.my/corporate-profile</a> .
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9. **Amendment to “Chapter 9 - Parties to the Fund” on page 23 of the Information Memorandum**

The information on the designated fund manager is hereby deleted in its entirety and replaced with the following:

<b>Designated Fund Manager</b>	Syhiful Zamri bin Abdul Azid  Syhiful is the Chief Investment Officer of the Manager and his profile is available on our website at <a href="https://maybank-am.com.my/key-people">https://maybank-am.com.my/key-people</a> .
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Investors are advised to read this First Supplementary Information Memorandum dated 8 February 2024 together with the Information Memorandum dated 3 January 2022.

10. **Amendment to “Chapter 9 - Parties to the Fund” on page 23 of the Information Memorandum**

The information on Trustee’s Delegate is hereby inserted immediately after Duties and Responsibilities of the Trustee as follows:

<b>Trustee’s Delegate</b>	<p>The Trustee has appointed Standard Chartered Bank Malaysia Berhad (“SCBMB”) as the custodian of the quoted and unquoted investments of the Fund. SCBMB was incorporated in Malaysia under the same name on 29 February 1984 under the Companies Act 1965 (now known as Companies Act 2016) as a public limited company and is a direct subsidiary of Standard Chartered Bank (Singapore) Limited and an indirect subsidiary of Standard Chartered PLC (the holding company of a global banking group). SCBMB was granted a license on 1 July 1994 under the Banking and Financial Institutions Act 1989 (now known as Financial Services Act 2013).</p> <p>SCBMB is responsible for the Fund’s assets settlement and custodising the Fund’s asset. The assets are held in the name of the Fund through the custodian’s wholly owned subsidiary and nominee company, Cartaban Nominees (Tempatan) Sdn Bhd. All investments are automatically registered into the name of the Fund. The custodian acts only in accordance with the instructions from the Trustee.</p>
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11. **Amendment to “Chapter 11 - Conflict of Interests and Related Party Transactions” on pages 25 - 26 of the Information Memorandum**

The information on the Manager’s conflict of interests and related party transactions is hereby deleted in its entirety and replaced with the following:

As at 31 December 2023, we are not aware of any existing or potential conflict of interest situations which may arise.

Save as disclosed below, there are no existing or proposed related party transactions involving the Fund, us as the manager, the Trustee and/or persons connected to them as at 31 December 2023:

<b>Name of Party</b>	<b>Name of Related Party and Nature of Relationship</b>	<b>Existing / Potential Related Party Transaction</b>
The Manager	<p>Maybank.</p> <p>The Manager is wholly-owned by Maybank Asset Management Group Berhad (“MAMG”). Maybank is a</p>	<p>Distributor:</p> <p>Maybank has been appointed as one of the Manager’s institutional unit trust scheme advisers.</p>

Investors are advised to read this First Supplementary Information Memorandum dated 8 February 2024 together with the Information Memorandum dated 3 January 2022.

	substantial shareholder of MAMG.	Delegate:  The Manager has delegated its back office functions (i.e. the fund accounting and valuation function and maintenance of the register of Unit Holders) to Maybank Securities Solutions which is a unit within Maybank.
	MAMG  The Manager is wholly-owned by MAMG.	Delegate:  The Manager has delegated its back office functions (i.e. finance, performance attribution, administration, legal, compliance, corporate secretarial services, strategy and project management office and risk management) to MAMG.
	Maybank Shared Services Sdn Bhd  Maybank Shared Services Sdn Bhd is wholly-owned by Maybank.	Delegate:  The Manager has delegated its back office function (i.e. information technology) to Maybank Shared Services Sdn Bhd.

**12. Amendment to “Chapter 13 - Customer Information Service” on pages 26 - 27 of the Information Memorandum**

The details of the Complaints Bureau, FIMM under sub-paragraph (i) is hereby deleted in its entirety and replaced with the following:

- (i) Complaints Bureau, FIMM via:
- Tel No: 03 - 7890 4242
  - email: [complaints@fimm.com.my](mailto:complaints@fimm.com.my)
  - Online complaint form: [www.fimm.com.my](http://www.fimm.com.my)
  - Letter: Complaints Bureau  
Legal & Regulatory Affairs  
Federation of Investment Managers Malaysia  
19-06-1, 6<sup>th</sup> Floor Wisma Tune  
No. 19, Lorong Dungun  
Damansara Heights  
50490 Kuala Lumpur.

**Investors are advised to read this First Supplementary Information Memorandum dated 8 February 2024 together with the Information Memorandum dated 3 January 2022.**

13. **Amendment to “Chapter 15 - Tax Adviser’s Letter” on pages 40 - 48 of the Information Memorandum**

The tax adviser’s letter is hereby deleted in its entirety and replaced with the following:



Ernst & Young Tax Consultants Sdn. Bhd.  
179721-K  
SST ID: W10-1808-31044478  
Level 23A Menara Milenium  
Jalan Damanlela, Pusat Bandar Damansara  
50490 Kuala Lumpur Malaysia

Tel: +603 7495 8000  
Fax: +603 2065 5332 (General line)  
+603 2065 7043  
ey.com

Taxation adviser’s letter in respect of the taxation  
of the unit trust fund and the unit holders  
(prepared for inclusion in this First Supplementary Information Memorandum)

Ernst & Young Tax Consultants Sdn Bhd  
Level 23A Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
50490 Kuala Lumpur

5 January 2024

The Board of Directors  
Maybank Asset Management Sdn Bhd  
Level 12, Tower C  
Dataran Maybank  
No. 1, Jalan Maarof  
59000 Kuala Lumpur

Dear Sirs

**Taxation of the unit trust fund and unit holders**

This letter has been prepared for inclusion in this First Supplementary Information Memorandum in connection with the offer of units in the unit trust known as MAMG China Evolution Equity Fund (hereinafter referred to as “the Fund”).

The purpose of this letter is to provide prospective unit holders with an overview of the impact of taxation on the Fund and the unit holders.

**Taxation of the Fund**

The taxation of the Fund is subject to the provisions of the Malaysian Income Tax Act 1967 (MITA), particularly Sections 61 and 63B.

Subject to certain exemptions, the income of the Fund comprising profits and other investment income derived from or accruing in Malaysia after deducting tax allowable expenses, is subject to Malaysian income tax at the rate of 24% with effect from the year of assessment 2016.

Tax allowable expenses would comprise expenses falling under Section 33(1) and Section 63B of the MITA. Section 33(1) permits a deduction for expenses that are wholly and exclusively incurred in the production of gross income. In addition, Section 63B allows unit trusts a deduction for a portion of other expenses (referred to as ‘permitted expenses’) not directly related to the production of income, as explained below.

A member firm of Ernst & Young Global Limited

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The Board of Directors  
Maybank Asset Management Sdn Bhd  
5 January 2024

"Permitted expenses" refer to the following expenses incurred by the Fund which are not deductible under Section 33(1) of the MITA:

- the manager's remuneration,
- maintenance of the register of unit holders,
- share registration expenses,
- secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postage.

These expenses are given a partial deduction under Section 63B of the MITA, based on the following formula:

$$A \times \frac{B}{4C}$$

- where
- A is the total of the permitted expenses incurred for that basis period;
  - B is gross income consisting of dividend<sup>1</sup>, interest and rent chargeable to tax for that basis period; and
  - C is the aggregate of the gross income consisting of dividend<sup>1</sup> and interest (whether such dividend or interest is exempt or not) and rent, and gains made from the realisation of investments (whether chargeable to tax or not) for that basis period,

provided that the amount of deduction to be made shall not be less than 10% of the total permitted expenses incurred for that basis period.

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<sup>1</sup> Pursuant to Section 15 of the Finance Act 2011, with effect from the year of assessment 2011, dividend income is deemed to include income distributed by a unit trust which includes distributions from Real Estate Investment Trusts.

**Investors are advised to read this First Supplementary Information Memorandum dated 8 February 2024 together with the Information Memorandum dated 3 January 2022.**

The Board of Directors  
Maybank Asset Management Sdn Bhd  
5 January 2024

### Exempt Income

The following income of the Fund is exempt from income tax:

- **Malaysian sourced dividends**  
All Malaysian-sourced dividends should be exempt from income tax.
- **Malaysian sourced interest**
  - a) interest from securities or bonds issued or guaranteed by the Government of Malaysia;
  - b) interest from debentures or *sukuk*, other than convertible loan stock, approved or authorized by, or lodged with, the Securities Commission;
  - c) interest from Bon Simpanan Malaysia issued by Bank Negara Malaysia;
  - d) interest derived from Malaysia and paid or credited by banks licensed under the Financial Services Act 2013 or the Islamic Financial Services Act 2013<sup>2</sup>;
  - e) interest derived from Malaysia and paid or credited by any development financial institution prescribed under the Development Financial Institutions Act 2002<sup>2</sup>;
  - f) interest from *sukuk* originating from Malaysia, other than convertible loan stock, issued in any currency other than Ringgit and approved or authorized by, or lodged with, the Securities Commission or approved by the Labuan Financial Services Authority (LFSA)<sup>3</sup>; and
  - g) interest which is specifically exempted by way of statutory orders or any other specific exemption provided by the Minister.
- **Discount**  
Tax exemption is given on discount paid or credited to any unit trust in respect of investments as specified in items (i), (ii) and (iii) above.

<sup>2</sup> Effective from 1 January 2019, the income tax exemption for a unit trust fund, pursuant to Paragraph 35A, Schedule 6 of the MITA shall not apply to a wholesale fund which is a money market fund.

<sup>3</sup> Effective from the year of assessment 2017, the exemption shall not apply to interest paid or credited to a company in the same group or interest paid or credited to a bank licensed under the Financial Services Act 2013 or the Islamic Financial Services Act 2013; or a development financial institution prescribed under the Development Financial Institutions Act 2002.

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The Board of Directors  
Maybank Asset Management Sdn Bhd  
5 January 2024

#### Foreign-sourced income

Pursuant to the Finance Act 2021, income derived by a resident person from sources outside Malaysia and received in Malaysia from 1 January 2022 will no longer be exempt from tax.

The Guidelines issued by the Malaysian Inland Revenue Board on 29 September 2022 (amended on 29 December 2022) define the term "received in Malaysia" to mean transferred or brought into Malaysia, either by way of cash<sup>4</sup> or electronic funds transfer<sup>5</sup>.

Foreign-sourced income (FSI) received in Malaysia during the transitional period from 1 January 2022 to 30 June 2022 will be taxed at 3% of gross. From 1 July 2022 onwards, FSI received in Malaysia will be taxed at the prevailing tax rate(s) of the taxpayer and based on applicable tax rules. Bilateral or unilateral tax credits may be allowed if the same income has suffered foreign tax, and where relevant conditions are met.

Income Tax (Exemption) (No. 6) Order 2022 has been issued to exempt a "qualifying person"<sup>6</sup> from the payment of income tax in respect of dividend income which is received in Malaysia from outside Malaysia, effective from 1 January 2022 to 31 December 2026. The exemption will however not apply to a person carrying on the business of banking, insurance or sea or air transport. As the definition of "qualifying person" does not include unit trust funds, it would mean that resident unit trust funds would technically not qualify for the exemption, unless there are further updates thereto.

#### Gains from the realisation of investments

Pursuant to the Finance (No. 2) Act 2023 ("Finance Act"), gains from the realisation of investments by a unit trust would no longer be exempt from tax. Pursuant to Section 61(1)(b) of the MITA, gains arising from the realisation of investments shall be treated as income of a unit trust under Section 4(aa) of MITA, provided that such gains are not related to real property as defined in the Real Property Gains Tax Act 1976. Section 4(aa) provides that gains or profits from the disposal of a capital asset<sup>7</sup> are to be treated as a class of income. Paragraph 38 of Schedule 6 of the MITA, introduced via the Finance Act, then provides an income tax exemption on gains or profits from the disposal of a capital asset situated in Malaysia, other than:

<sup>4</sup> "Cash" in this context is defined as banknotes, coins and cheques.

<sup>5</sup> "Electronic funds transfer" means bank transfers (e.g., credit or debit transfers), payment cards (debit card, credit card and charge card), electronic money, privately-issued digital assets (e.g., crypto-assets, stablecoins) and central bank digital currency.

<sup>6</sup> "Qualifying person" in this context means a person resident in Malaysia who is:

- (a) An individual who has dividend income received in Malaysia from outside Malaysia in relation to a partnership business in Malaysia;
- (b) A limited liability partnership which is registered under the Limited Liability Partnerships Act 2012; or
- (c) A company which is incorporated or registered under the Companies Act 2016.

<sup>7</sup> "Capital asset" means movable or immovable property including any rights or interest thereof.

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The Board of Directors  
Maybank Asset Management Sdn Bhd  
5 January 2024

- (i) Disposal of shares of a company incorporated in Malaysia not listed on the stock exchange<sup>8</sup>; and
- (ii) Disposal of shares under Section 15C of the MITA, which was introduced via the Finance Act, Section 15C deems gains or profits from the disposal of shares in a company incorporated outside Malaysia ("foreign company") to be derived from Malaysia and hence subject to Malaysian income tax, where the foreign company directly or indirectly owns real property in Malaysia exceeding certain thresholds, as determined based on the parameters of Section 15C

As such, capital assets that fall within the scope of charge of the MITA are as follows:

- a) Capital assets situated in Malaysia - Shares of a company incorporated in Malaysia not listed on the stock exchange and shares in foreign incorporated companies deriving value from real property in Malaysia.
- b) Capital assets situated outside Malaysia - All capital assets, not limited to shares.

Gains from disposal of capital assets situated outside Malaysia will only be subject to tax when the gains are received in Malaysia.

The Finance Act provides an effective date of 1 January 2024 for the above changes to the MITA. However, pursuant to the Income Tax (Exemption) (No. 7) Order 2023 [P.U.(A) 410], a trust body is exempted from the payment of income tax in respect of any gains or profits received from the disposal of shares of a company incorporated in Malaysia not listed on the stock exchange. This exemption applies for such disposals from 1 January to 29 February 2024.

The relevant tax rates of the gains of the disposal of capital assets are as below:

	Tax rates
A. Disposal of capital assets situated in Malaysia which was acquired before 1 January 2024	
<ul style="list-style-type: none"> <li>▸ On chargeable income of the disposal</li> <li>▸ On gross disposal price</li> </ul>	<p>10%</p> <p>2%</p>
B. Disposal of capital assets situated in Malaysia which was acquired after 1 January 2024	
<ul style="list-style-type: none"> <li>▸ On chargeable income of the disposal</li> </ul>	10%
C. Disposal of capital assets situated outside Malaysia	
<ul style="list-style-type: none"> <li>▸ On chargeable income of the disposal</li> </ul>	24% (prevailing tax rate of a unit trust)

<sup>8</sup> "stock exchange" has the meaning assigned to it in the Capital Markets and Services Act 2007

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The Board of Directors  
Maybank Asset Management Sdn Bhd  
5 January 2024

#### Implementation of Sales and Service Tax ("SST")

Sales and Service Tax ("SST") was re-introduced effective 1 September 2018. Sales Tax of 10% (most common rate) or 5% is charged by Malaysian manufacturers of taxable goods or upon importation into Malaysia of such taxable goods, unless specifically exempted under the Sales Tax (Goods Exempted From Tax) Order 2018. Service Tax is charged on certain prescribed taxable services performed by taxable persons as stipulated under Service Tax Regulations 2018. The input tax recovery mechanism under the previous GST regime does not apply to SST. Therefore, any SST incurred is not recoverable and will form a cost element for businesses.

Based on the Service Tax Regulations 2018, a unit trust fund is neither regarded as a taxable person nor as providing taxable services and is therefore not liable for SST registration. Where the Fund incurs expenses such as management fees, the management services provided by asset and fund managers who are licensed or registered with Securities Commission Malaysia for carrying out the regulated activity of fund management under the Capital Markets and Services Act 2007, are specifically excluded from the scope of Service Tax. As for other fees, such as trustee fees and other administrative charges, these may be subject to service tax<sup>9</sup> provided they fall within the scope of service tax (i.e. are provided by a "taxable person", who exceeds the required annual threshold (in most cases RM 500,000 per annum) and the services qualify as "taxable services").

#### Taxation of unit holders

For Malaysian income tax purposes, unit holders will be taxed on their share of the distributions received from the Fund.

The income of unit holders from their investment in the Fund broadly falls under the following categories:

1. taxable distributions; and
2. non-taxable and exempt distributions.

In addition, unit holders may also realise a gain from the sale of units.

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<sup>9</sup> Pursuant to Service Tax Regulations 2018, the service tax rate is at 6%. It was proposed in Budget 2024 that the service tax rate be increased from 6% to 8% effective from 1 March 2024.

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The Board of Directors  
Maybank Asset Management Sdn Bhd  
5 January 2024

The tax implications of each of the above categories are explained below:

1. Taxable distributions

Distributions received from the Fund will have to be grossed up to take into account the underlying tax paid by the Fund and the unit holder will be taxed on the grossed up amount. See however item 2 below on certain distributions which are not taxable to unit holders.

Such taxable distributions carry a tax credit, which will be available for set-off against any Malaysian income tax payable by the unit holder. Should the tax deducted at source exceed the tax liability of the unit holder, the excess is refundable to the unit holders.

Please refer to the paragraph below for the income tax rates applicable to the grossed up distributions.

2. Non-taxable and exempt distributions

Tax exempt distributions made out of gains from the realisation of investments and exempt income earned by the Fund will not be subject to Malaysian income tax in the hands of the unit holders.

A retail money market fund is exempted from tax on its interest income derived from Malaysia, pursuant to Paragraph 35A of Schedule 6 of the MITA. Pursuant to the Finance Act 2021, with effect from 1 January 2022, distributions by a retail money market fund from such tax exempt interest income, to a unit holder other than an individual, will no longer be exempt from tax. The distribution to unit holders other than individuals will be subject to withholding tax at 24%. This would be a final tax for non-residents. Malaysian residents are required to include the distributions in their tax returns and claim a credit in respect of the withholding tax suffered. Individuals will continue to be exempt from tax on such distributions.

As stated above, with effect from 1 January 2024 (1 March 2024 for disposals of shares of a company incorporated in Malaysia not listed on the stock exchange), gains arising from the realisation of investments shall be treated as income of the Fund under Section 4(aa), pursuant to the proviso of Section 61(1)(b) of MITA. However, pursuant to Section 61(1A) of MITA, unit holders will still not be charged to tax on the gains referred to in the proviso to Section 61(1)(b).

Rates of tax

The Malaysian income tax chargeable on the unit holders would depend on their tax residence status and whether they are individuals, corporations or trust bodies. The relevant income tax rates are as follows:

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Unit holders	Malaysian income tax rates
<p>Malaysian tax resident:</p> <ul style="list-style-type: none"> <li>• Individual and non-corporate unit holders (such as associations and societies)</li> <li>• Co-operatives<sup>10</sup></li> <li>• Trust bodies</li> <li>• Corporate unit holders               <ul style="list-style-type: none"> <li>(i) A company with paid-up capital in respect of ordinary shares of not more than RM2.5 million (at the beginning of the basis period for the year of assessment) and gross income from a source or sources consisting of a business not exceeding RM50 million for the basis period for the year of assessment<sup>11 12</sup></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Progressive tax rates ranging from 0% to 30%</li> <li>• Progressive tax rates ranging from 0% to 24%</li> <li>• 24%</li> <li>• First RM150,000 of chargeable income @ 15%<sup>13</sup></li> <li>• Next RM450,000 of chargeable income @ 17%</li> <li>• Chargeable income in excess of RM600,000 @ 24%</li> </ul>

- <sup>10</sup> Pursuant to Paragraph 12(1), Schedule 6 of the MITA, the income of any co-operative society—
- (a) in respect of a period of five years commencing from the date of registration of such co-operative society; and
- (b) thereafter where the members' funds [as defined in Paragraph 12(2)] of such co-operative society as at the first day of the basis period for the year of assessment is less than seven hundred and fifty thousand ringgit, is exempt from tax.
- <sup>11</sup> A company would not be eligible for the concessionary tax rate on the first RM600,000 of chargeable income if:-
- (a) more than 50% of the paid-up capital in respect of the ordinary shares of the company is directly or indirectly owned by a related company which has paid-up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;
- (b) the company owns directly or indirectly more than 50% of the paid-up capital in respect of the ordinary shares of a related company which has paid-up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;
- (c) more than 50% of the paid-up capital in respect of the ordinary shares of the company and a related company which has a paid-up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment is directly or indirectly owned by another company.
- (d) Pursuant to the Finance Act 2023, effective from the year of assessment 2024, in order for a company to qualify for the concessionary tax rates not more than 20% of the paid-up capital in respect of the ordinary shares of the company at the beginning of a basis period for a year of assessment can be directly or indirectly owned by one or more companies incorporated outside Malaysia or by individuals who are not citizens of Malaysia.
- <sup>12</sup> The above excludes a business trust and a company which is established for the issuance of asset-backed securities in a securitization transaction approved by the Securities Commission.
- <sup>13</sup> Pursuant to the Finance Act 2023, effective from the year of assessment 2023, the concessionary tax rate is reduced from 17% to 15% for the first RM150,000 of chargeable income.

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The Board of Directors  
Maybank Asset Management Sdn Bhd  
5 January 2024

Unit holders	Malaysian income tax rates
(ii) Companies other than (i) above	• 24%
Non-Malaysian tax resident (Note 1):	
• Individual and non-corporate unit holders	• 30%
• Corporate unit holders and trust bodies	• 24%

**Note 1:**

Non-resident unit holders may be subject to tax in their respective countries depending on the provisions of the tax legislation in the respective countries and any existing double taxation arrangements with Malaysia.

**Gains from sale of units**

Gains arising from the sale of units will generally not be subject to income tax in the hands of unit holders unless they are insurance companies, financial institutions or traders / dealers in securities.

**Unit splits and reinvestment of distributions**

Unit holders may also receive new units as a result of unit splits or may choose to reinvest their distributions. The income tax implications of these are as follows:

- Unit splits - new units issued by the Fund pursuant to a unit split will not be subject to income tax in the hands of the unit holders.
- Reinvestment of distributions - unit holders may choose to reinvest their income distribution in new units by informing the Manager. In this event, the unit holder will be deemed to have received the distribution and reinvested it with the Fund.

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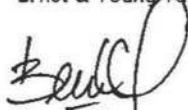
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The Board of Directors  
Maybank Asset Management Sdn Bhd  
5 January 2024

We hereby confirm that, as at the date of this letter, the statements made in this letter correctly reflect our understanding of the tax position under current Malaysian tax legislation and the related interpretation and practice thereof, all of which are subject to change, possibly on a retrospective basis. We have not been retained (unless specifically instructed hereafter), nor are we obligated to monitor or update the statements for future conditions that may affect these statements.

The statements made in this letter are not intended to be a complete analysis of the tax consequences relating to an investor in the Fund. As the particular circumstances of each investor may differ, we recommend that investors obtain independent advice on the tax issues associated with an investment in the Fund.

Yours faithfully  
Ernst & Young Tax Consultants Sdn Bhd



Bernard Yap  
Partner

Ernst & Young Tax Consultants Sdn Bhd has given its consent to the inclusion of the Taxation Adviser's Letter in the form and context in which it appears in this First Supplementary Information Memorandum and has not withdrawn such consent before the date of issue of this First Supplementary Information Memorandum.

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**Investors are advised to read this First Supplementary Information Memorandum dated 8 February 2024 together with the Information Memorandum dated 3 January 2022.**

## **Responsibility Statement**

This Information Memorandum has been seen and approved by the directors of Maybank Asset 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**

A copy of this Information Memorandum has been lodged with the Securities Commission Malaysia. The Securities Commission Malaysia will not be liable for any non-disclosure on the part of the Manager 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.

**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.

The Fund will not be offered for sale in the United States of America, its territories or possessions and all areas subject to its jurisdiction, or to any U.S. Person(s). Accordingly, investors may be required to certify that they are not U.S. Person(s) before making an investment in the Fund.

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## 1. CORPORATE DIRECTORY

<b>MANAGER</b>	Maybank Asset Management Sdn Bhd (Registration No.: 199701006283 (421779-M))
<b>REGISTERED OFFICE</b>	5 <sup>th</sup> Floor, Tower A Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel. No.: 03 - 2297 7870
<b>BUSINESS OFFICE</b>	Level 12, Tower C Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel. No.: 03 - 2297 7888 Fax No.: 03 - 2715 0071
<b>TRUSTEE</b>	TMF Trustees Malaysia Berhad (Registration No.: 200301008392 (610812-W))
<b>REGISTERED OFFICE AND BUSINESS OFFICE</b>	10 <sup>th</sup> Floor, Menara Hap Seng No. 1 & 3, Jalan P. Ramlee 50250 Kuala Lumpur Tel. No.: 03 - 2382 4288 Fax No.: 03 - 2026 1451
<b>WEBSITE</b>	<a href="http://www.tmf-group.com">www.tmf-group.com</a>

## 2. DEFINITIONS

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

2010 Law	The Luxembourg law of 17 December 2010 on undertakings for collective investment.
ADR(s)	means American Depositary Receipt(s).
AUD	means Australian Dollar.
AUD (Hedged) Class	represents a Class denominated in AUD which seeks to reduce the effect of currency fluctuations between the currency of the Class and the base currency of the Fund.
Base Currency	means USD, the currency in which the Fund is denominated.
Bursa Malaysia	means the stock exchange managed and operated by Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W)).
Business Day	means a day on which Bursa Malaysia is open for trading. We may declare a certain Business Day as a non-Business Day if (i) that day is not a business day of the Target Fund or (ii) that day is a holiday in any of the foreign markets which the Fund invests in.
CSSF	means Commission de Surveillance du Secteur Financier.
Class	means any class of Units in the Fund representing similar interest in the assets of the Fund and a "Class" means any one class of Units.
China A Shares	means shares of companies incorporated in mainland China that are listed on the Shanghai Stock Exchange and/or the Shenzhen Stock Exchange and that are generally only available to non-mainland China investors.
CDR(s)	means Chinese Depositary Receipt(s).
CIS	means collective investment scheme.
CMSA	means the Capital Markets and Services Act 2007, including all amendments thereto and all regulations, rules and guidelines issued in connection therewith.
Commencement Date	means the next Business Day after the end of the initial offer period.
Company	means T. Rowe Price Funds SICAV.
Deed	means the deed in respect of the Fund and any other supplemental deed that may be entered into between the Manager and the Trustee.
EDR(s)	means European Depositary Receipt(s).
EU	means the European Union.
EU Member State	means a member of the EU.

Ex-distribution Date	means the next Business Day after the date on which income distribution of the Fund is declared.
FIMM	means the Federation of Investment Managers Malaysia.
Forward Pricing	means the NAV per Unit for the Fund calculated at the next valuation point after a purchase request or a redemption request, as the case may be, is received by us.
Fund	means the MAMG China Evolution Equity Fund.
GDR(s)	means Global Depository Receipt(s).
Information Memorandum	means this information memorandum of the Fund.
Investment Manager	means T. Rowe Price International Ltd.
LPD	means latest practicable date as at 1 November 2021.
Management Company	means T-Rowe Price (Luxembourg) Management S.à r.l.
Manager / we / us / our	means Maybank Asset Management Sdn Bhd (Registration No.: 199701006283 (421779-M)).
MYR/RM	means Ringgit Malaysia.
MYR Class	represents a Class denominated in MYR.
MYR (Hedged) Class	represents a Class denominated in MYR which seeks to reduce the effect of currency fluctuations between the currency of the Class and the base currency of the Fund.
NAV per Unit	means the NAV of the relevant Class divided by the total number of Units in circulation of such Class at the valuation point.
Net Asset Value or NAV	means the total value of the Fund's assets minus its liabilities at the valuation point.
OTC	means over-the-counter.
PRC	means the People's Republic of China.
Red-chips	means shares of state-owned companies that are based in mainland China but incorporated internationally and listed on the Hong Kong Stock Exchange.
Redemption Price	means the price payable by us to a Unit Holder pursuant to a redemption request by the Unit Holder and will be the NAV per Unit of the Fund. The Redemption Price shall be exclusive of the redemption charge (if any).
P-chips	means shares of non-state owned companies that are based in mainland China but incorporated internationally and listed on the Hong Kong Stock Exchange.
SC	means the Securities Commission Malaysia.

Selling Price	means the price payable by an investor or a Unit Holder for the purchase of a Unit of the Fund and will be fixed at the initial offer price throughout the initial offer period. The Selling Price shall be exclusive of the sales charge.
SGD	means Singapore Dollar.
SGD (Hedged) Class	represents a Class denominated in SGD which seeks to reduce the effect of currency fluctuations between the currency of the Class and the base currency of the Fund.
Sophisticated Investor	<p>means:</p> <ul style="list-style-type: none"> <li>(a) a unit trust scheme, private retirement scheme or prescribed investment scheme;</li> <li>(b) Bank Negara Malaysia;</li> <li>(c) a licensed person or a registered person;</li> <li>(d) an exchange holding company, a stock exchange, a derivatives exchange, an approved clearing house, a central depository or a recognized market operator;</li> <li>(e) a corporation that is licensed, registered or approved to carry on any regulated activity or capital market services by an authority in Labuan or outside Malaysia which exercises functions corresponding to the functions of the SC;</li> <li>(f) a bank licensee or an insurance licensee as defined under the Labuan Financial Services and Securities Act 2010;</li> <li>(g) an Islamic bank licensee or a takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010;</li> <li>(h) a chief executive officer or a director of any person referred to in paragraphs (c) to (g);</li> <li>(i) a closed-ended fund approved by the SC;</li> <li>(j) a company that is registered as a trust company under the Trust Companies Act 1949 and has assets under its management exceeding RM10 million or its equivalent in foreign currencies;</li> <li>(k) a corporation that - <ul style="list-style-type: none"> <li>(i) 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 its management, exceeding RM10 million or its equivalent in foreign currencies; or</li> <li>(ii) is carrying on the regulated activity of fund management solely for the benefit of its related corporations and has assets under its management exceeding RM10 million or its equivalent in foreign currencies;</li> </ul> </li> <li>(l) a corporation with total net assets exceeding RM10 million or its equivalent in foreign currencies based on the last audited accounts;</li> <li>(m) a partnership with total net assets exceeding RM10 million or its equivalent in foreign currencies;</li> </ul>

- (n) a statutory body established under any laws unless otherwise determined by the SC;
- (o) a pension fund approved by the Director General of Inland Revenue under the Income Tax Act 1967;
- (p) an individual -
  - (i) whose total net personal assets, or total net joint assets with his or her spouse, exceeding RM3 million or its equivalent in foreign currencies, excluding the value of the individual's primary residence;
  - (ii) who has a gross annual income exceeding RM300,000 or its equivalent in foreign currencies in the preceding twelve months;
  - (iii) who jointly with his or her spouse, has a gross annual income exceeding RM400,000 or its equivalent in foreign currencies in the preceding twelve months; or
  - (iv) whose total net personal investment portfolio or total net joint investment portfolio with his or her spouse, in any capital market products exceeding RM1 million or its equivalent in foreign currencies;
- (q) any person who acquires the unlisted capital market products where the consideration is not less than two hundred and fifty thousand ringgit or its equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise; or
- (r) such other investor(s) as may be permitted by the SC from time to time and/or under the relevant guidelines for wholesale funds.

Target Fund	means T. Rowe Price Funds SICAV - China Evolution Equity Fund.
Trustee	means TMF Trustees Malaysia Berhad (Registration No.: 200301008392 (610812-W)).
UCI	means an undertaking for collective investment.
UCITS	means an undertaking for collective investment in transferable securities.
Unit(s)	means a measurement of the right or interest of a Unit Holder in the Fund and means a unit of the Fund or a Class, as the case may be.
Unit Holder(s) / you	means the person registered as a holder of a Unit or Units including persons jointly registered for the Class. In respect of the Fund, means all the unit holders of every Class in the Fund.
US	means the United States of America.
USD	means United States Dollar.
USD Class	represents a Class denominated in USD.
U.S. (United States) Person(s)	means: <ul style="list-style-type: none"> <li>a) a U.S. citizen (including those who hold dual citizenship or a greencard holder);</li> <li>b) a U.S. resident alien for tax purposes;</li> <li>c) a U.S. partnership;</li> <li>d) a U.S. corporation;</li> </ul>

- e) any estate other than a non-U.S. estate;
- f) any trust if:
  - (i) a court within the U.S. is able to exercise primary supervision over the administration of the trust; and
  - (ii) one or more U.S. Persons have the authority to control all substantial decisions of the trust;
- g) any other person that is not a non-U.S. Person; or
- h) any definition as may be prescribed under the Foreign Account Tax Compliance Act 2010, as may be amended from time to time.

### 3. FUND'S DETAILS

#### 3.1 Information of the Fund

FUND'S DETAILS					
Fund Name	MAMG China Evolution Equity Fund				
Fund Category	Feeder Fund (wholesale)				
Fund Type	Growth				
Base Currency	USD				
Financial Year End	31 December				
Initial Offer Period	21 days from the launch date of the Fund. <i>Note: The initial offer period may be shortened at the discretion of the Manager.</i>				
Class	MYR Class	MYR (Hedged) Class	USD Class	SGD (Hedged) Class	AUD (Hedged) Class
Initial Offer Price	RM 0.50	RM 0.50	USD 0.50	SGD 0.50	AUD 0.50
Commencement Date	The next Business Day after the end of the Initial Offer Period.				
Deed	The deed dated 3 November 2021.				
Investment Objective	The Fund aims to maximise investment returns by investing in the Target Fund.				
Investor Profile	The Fund is suitable for Sophisticated Investors who are willing to tolerate the risks associated with investing in the Target Fund, including the risks of investing in China.				
Performance Benchmark	MSCI China All Shares Index Net. <i>(Source: MSCI)</i> <i>Note: The performance benchmark is the benchmark of the Target Fund to allow for a similar comparison with the performance of the Target Fund. However, the risk profile of the Fund is different from the risk profile of the performance benchmark.</i>				
Asset Allocation	<ul style="list-style-type: none"> <li>➤ A minimum of 90% of the Fund's NAV will be invested in the Target Fund.</li> <li>➤ 2% - 10% of the Fund's NAV will be invested in liquid assets*.</li> </ul> <p><i>*Liquid assets include but are not limited to deposits and money market instruments.</i></p>				
Investment Strategy	The Fund seeks to achieve its investment objective by investing a minimum of 90% of its NAV into Class S of the Target Fund.				

<b>FUND'S DETAILS</b>	
	<p>The Target Fund is a sub-fund of T. Rowe Price Funds SICAV, established and domiciled in Luxembourg and was launched on 10 August 2020.</p> <p>The Fund may employ currency hedging strategies to fully or partially hedge the foreign currency exposure to manage the currency risk.</p> <p>Although the Fund is passively managed, the Manager will ensure proper and efficient management of the Fund so that the Fund is able to meet redemption requests by Unit Holders.</p>
<b>Temporary Defensive Position</b>	<p>The Manager may also adopt temporary defensive positions to protect the Fund's investments to respond to adverse market, political or economic conditions by holding more than 10% of the Fund's NAV in liquid assets that may be inconsistent with the Fund's principal investment strategy and asset allocation.</p> <p>As the temporary defensive positions are adopted at the Fund's level, the Manager's view on market outlook may differ from the view of the Investment Manager. As a result, there is a risk that the Fund will not achieve its investment objective by adopting such defensive strategies. However, for all intents and purposes, the Manager will resume the investment strategy to invest at least 90% of the Fund's NAV in the Target Fund as soon as practicable.</p> <p>In addition, the Manager may, in consultation with the Trustee and subject to Unit Holders' approval, replace the Target Fund with another fund of a similar objective if, in the Manager's opinion, the Target Fund no longer meets the Fund's investment objective.</p>
<b>Permitted Investments</b>	<p>The Fund is permitted to invest in the following:</p> <ul style="list-style-type: none"> <li>• one collective investment scheme, that is the Target Fund;</li> <li>• liquid assets which include but are not limited to deposits and money market instruments;</li> <li>• derivatives (for hedging purposes); and</li> <li>• any other investment as permitted by the SC which is in line with the objective and asset allocation of the Fund.</li> </ul>
<b>Investment Restrictions and Limits</b>	<p>The Fund shall not invest in the following:</p> <ul style="list-style-type: none"> <li>• a fund-of-funds;</li> <li>• a feeder fund; and</li> <li>• any sub-fund of an umbrella scheme which is a fund-of-funds or a feeder fund.</li> </ul>
<b>Distribution Policy</b>	<p>Distribution, if any, shall be incidental and at the discretion of the Manager. Distribution, will be made from realised income and/or realised gains of the Fund.</p>
<b>Mode of Distribution</b>	<p>All income distribution will be reinvested into additional Units in the Fund. Additional Units will be created based on the NAV per Unit* at the income reinvestment date (which is within 10 days from the Ex-distribution Date).</p>



FUND'S DETAILS	
	<i>*There will not be any cost to Unit Holders for reinvestments in new additional Units.</i>
<b>Communication with Unit Holders</b>	<p><b>Official Receipt and Statement of Investment</b></p> <p>Each time a Unit Holder purchases Units or conducts any other transaction for the Fund, a confirmation advice is sent out to the Unit Holder. A computer generated statement will also be issued on a monthly basis to provide the Unit Holder with a record of each and every transaction made in the account so that the Unit Holder may confirm the status and accuracy of his or her transactions, as well as to provide the Unit Holder with an updated record of his or her investment account(s) with us.</p> <p><b>Unit Price</b></p> <p>As the Fund has exposure to investments in foreign markets, we will publish the Fund's NAV per Unit on our website, <a href="http://www.maybank-am.com.my">www.maybank-am.com.my</a> two (2) Business Day later.</p> <p><b>Financial Reports</b></p> <p>We will provide Unit Holders with a quarterly report and an audited annual report within two (2) months after the close of the quarterly period or financial year end.</p>

### 3.2. Information of the Target Fund

INFORMATION OF THE TARGET FUND	
<b>Name of the Target Fund</b>	T. Rowe Price Funds SICAV - China Evolution Equity Fund
<b>Management Company of the Target Fund</b>	T. Rowe Price (Luxembourg) Management S.à r.l
<b>Investment Manager of the Target Fund</b>	T. Rowe Price International Ltd
<b>Sub-investment Manager of the Target Fund</b>	T. Rowe Price Hong Kong Ltd
<b>Domicile</b>	Luxembourg
<b>Regulatory Authority</b>	Commission de Surveillance du Secteur Financier
<b>Share Class</b>	Class S
<b>Date of Establishment of the Target Fund</b>	10 August 2020
<b>Date of Establishment of the Share Class</b>	23 December 2021

<b>INFORMATION OF THE TARGET FUND</b>	
<b>Base Currency of the Target Fund</b>	USD
<b>Base Currency of the Share Class</b>	USD
<b>About the T. Rowe Price Funds SICAV</b>	<p>The Company is an open-ended investment company created under the laws of the Grand Duchy of Luxembourg, established as a société d'investissement à capital variable ( "SICAV" ) on 5 June 2001 and is authorised under part 1 of the 2010 Law relating to collective investment undertakings.</p> <p>The Company has been structured as an umbrella fund under which the Target Fund is created and operate and qualifies as an UCITS. The assets and liabilities of each fund under the Company are segregated from those of other funds; there is no cross-liability between funds.</p>
<b>Information of the Management Company</b>	<p>The Company has appointed T. Rowe Price (Luxembourg) Management S.à r.l as its management company. The Management Company is a limited liability company incorporated on 5 April 1990 under the laws of Luxembourg, authorised and regulated in Luxembourg by the CSSF.</p> <p>The Management Company has responsibility for investment management services, administrative services and distribution services.</p>
<b>Information of the Investment Manager</b>	<p>T. Rowe Price International Ltd is responsible for day-to-day management of the Target Fund. The Investment Manager is regulated by the Financial Conduct Authority, United Kingdom.</p> <p>Upon request of the board of directors of the Company, the Investment Manager may provide advice and assistance to the board of directors of the Company in setting investment policy and in determining related matters for the Company or for the Target Fund. The Investment Manager has also been appointed to handle the Company ' s promotional, marketing and distribution activities, including the appointment of distributors (meaning sales agents, marketing agents, distribution agents and other financial intermediaries).</p> <p>The Investment Manager has the option of delegating to investment sub-managers, at its own expense and responsibility and with the approval of the board of directors of the Company and the CSSF, any or all of its investment management and advisory duties.</p>
<b>Information of the Sub-investment Manager</b>	<p>T. Rowe Price Hong Kong Ltd is an investment adviser registered under the US Investment Advisers Act of 1940 and a wholly owned subsidiary of T. Rowe Price International Ltd. The Sub-investment Manager is a Hong Kong limited company licensed by the Hong Kong Securities and Futures Commission and provides investment management services for clients who seek to primarily invest in securities markets in the Asia-Pacific region.</p>

<b>INFORMATION OF THE TARGET FUND</b>	
<b>Investment Objective of the Target Fund</b>	The investment objective of the Target Fund is to increase the value of its shares, over the long term, through growth in the value of its investments.
<b>Investment Policy of the Target Fund</b>	<p>The Target Fund is actively managed and invests mainly in a diversified portfolio of shares of Chinese companies and may have significant exposure to smaller capitalisation companies.</p> <p>The Target Fund invests primarily in equity and equity-related securities issued by companies that are either incorporated in China, Hong Kong, Macau or Taiwan, or conduct most of their business in China. The securities may be listed within and/or outside of China. Types of securities may include common shares (including A, B and H shares, Red-chips and P-chips), preferred shares, warrants, ADRs, CDRs, EDRs and GDRs. Investments in China A shares may be made through the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect programs and the qualified foreign institutional investor program.</p> <p>In seeking to achieve the Target Fund’s objective the Target Fund may also invest, on an ancillary basis, in other eligible securities. However, as at LPD, the Target Fund does not expect to invest in any other eligible securities, on an ancillary basis, to more than a limited extent.</p> <p><u>Derivatives and Techniques</u></p> <p>The Target Fund may use derivatives for hedging and efficient portfolio management.</p> <p><u>Investment Process</u></p> <p>The Investment Manager’s approach is to:</p> <ul style="list-style-type: none"> <li>• seek attractive investment opportunities across Chinese companies listed both onshore and offshore.</li> <li>• employ fundamental research to identify change in business fundamentals or investor behaviour that will act as a catalyst to increase a company’s value.</li> <li>• seek to purchase shares of companies at reasonable prices in relation to present or anticipated earnings, cash flow, or book value.</li> <li>• assess environmental, social and governance (“ESG”) factors with particular focus on those considered most likely to have a material impact on the performance of the holdings or potential holdings in the Funds’ portfolio. These ESG factors, which are incorporated into the investment process alongside financials, valuation, macroeconomics and other factors, are components of the investment decision. Consequently, ESG factors are not the sole driver of an investment decision but are instead one of several important inputs considered during investment analysis.</li> </ul>
<b>Investment Restrictions of the Target Fund</b>	See Appendix of Section 14.

INFORMATION OF THE TARGET FUND	
Specific Risks of the Target Fund	See Appendix of Section 14.
Fees and Charges of the Target Fund	<p>The current fees and charges incurred by the Fund when investing in the Target Fund are set out in the Target Fund's prospectus and include, without limitation:</p> <ul style="list-style-type: none"> <li>Operating and administrative expenses limit: 0.10% of the net asset of the Target Fund.</li> </ul> <p><b>Impact on Fees and Charges of the Target Fund on the Costs of Investing in the Fund</b></p> <p>There are fees and general expenses which will be charged to the Target Fund as mentioned above; therefore, Unit Holders are indirectly bearing the fees and expenses charged at the Target Fund level as well as the fees and expenses of the Fund.</p> <p><i>Investors may be subjected to higher fees arising from the layered investment structure of a feeder fund.</i></p>

#### 4. FEES AND CHARGES

There are fees and charges involved and you are advised to consider the fees and charges before investing in the Fund. We reserve the right to waive or reduce the fees and charges involved at our absolute discretion.

**Note:** All fees, charges and expenses stated herein are exclusive of any applicable tax which may be imposed by the government or the relevant authority. You and/or the Fund (as the case may be) are responsible to pay the applicable amount of tax, if any, in addition to the fees, charges and expenses stated herein.

FEES AND CHARGES											
Sales Charge	<p>Up to 5.00% of the NAV per Unit.</p> <p><i>Notes:</i></p> <p>(1) We reserve the right to waive or reduce the sales charge from time to time at our absolute discretion.</p> <p>(2) You may negotiate for a lower sales charge.</p> <p>(3) There is no entry charge for investing in the Target Fund. Hence, the sales charge will be charged at the Fund level only.</p>										
Redemption Charge	Nil.										
Switching Fee	<table border="1"> <thead> <tr> <th>MYR Class</th> <th>MYR (Hedged) Class</th> <th>USD Class</th> <th>SGD (Hedged) Class</th> <th>AUD (Hedged) Class</th> </tr> </thead> <tbody> <tr> <td colspan="2">RM 10.00 per switch</td> <td>USD 10.00 per switch</td> <td>SGD 10.00 per switch</td> <td>AUD 10.00 per switch</td> </tr> </tbody> </table> <p><i>Notes:</i></p> <p>(1) We reserve the right to waive the switching fee at our absolute discretion.</p>	MYR Class	MYR (Hedged) Class	USD Class	SGD (Hedged) Class	AUD (Hedged) Class	RM 10.00 per switch		USD 10.00 per switch	SGD 10.00 per switch	AUD 10.00 per switch
MYR Class	MYR (Hedged) Class	USD Class	SGD (Hedged) Class	AUD (Hedged) Class							
RM 10.00 per switch		USD 10.00 per switch	SGD 10.00 per switch	AUD 10.00 per switch							

FEES AND CHARGES					
	(2) <i>In addition to the switching fee, you will have to pay the difference in sales charge when switching from a fund with lower sales charge to a fund with higher sales charge.</i>				
Transfer Fee	MYR Class	MYR (Hedged) Class	USD Class	SGD (Hedged) Class	AUD (Hedged) Class
	RM 10.00 per transfer		USD 10.00 per transfer	SGD 10.00 per transfer	AUD 10.00 per transfer
	<p><i>Notes:</i></p> <p>(1) <i>We reserve the right to waive the transfer fee at our absolute discretion.</i></p> <p>(2) <i>We reserve the right to decline any transfer request if such transfer will expose us to any liability and/or will contravene any law or regulatory requirements, whether or not having the force of law.</i></p>				
Annual Management Fee	<p>Up to 2.00% per annum of the NAV of each Class, calculated and accrued daily in the Base Currency, and payable monthly to us.</p> <p><i>Note: The annual management fee is inclusive of the management fee charged by the Investment Manager. There shall be no double charging of management fee at the Fund level and the Target Fund level.</i></p>				
Annual Trustee Fee	<p>Up to 0.04% per annum of the NAV of the Fund (excluding foreign custodian fees and charges), calculated and accrued daily and payable monthly to the Trustee.</p>				
Fund Expenses	<p>Only fees and expenses that are directly related and necessary to the operation and administration of the Fund or a Class may be charged to the Fund or a Class.</p>				

## 5. TRANSACTION DETAILS

TRANSACTION DETAILS					
Minimum Initial Investment <sup>^</sup>	MYR Class	MYR (Hedged) Class	USD Class	SGD (Hedged) Class	AUD (Hedged) Class
	RM 1,000	RM 1,000	USD 1,000	SGD 1,000	AUD 1,000
Minimum Additional Investment <sup>^</sup>	MYR Class	MYR (Hedged) Class	USD Class	SGD (Hedged) Class	AUD (Hedged) Class
	RM 100	RM 100	USD 100	SGD 100	AUD 100
Minimum Unit Holdings <sup>^</sup>	1,000 Units.				

TRANSACTION DETAILS	
<b>Minimum Redemption of Units</b>	<p>None, provided the minimum Unit holdings requirement is met.</p> <p>If a Unit Holder's Unit holdings, after a redemption request, are below the minimum Unit holdings, full redemption will be initiated.</p>
<p><i>^ or such other lower amount or number of Units (as the case may be) as may be decided by us from time to time.</i></p> <p><i>Note: Our distributors may set a lower minimum initial and/or additional investments than the above for investments made via the distributors subject to their terms and conditions for investment.</i></p>	
<b>Transfer Facility</b>	<p>Transfer of ownership of Units is allowed for this Fund.</p> <p>Transfer of ownership from the account of the deceased Unit Holder to his/her personal representative will only be undertaken through the process of estate administration and death claims procedures.</p>
<b>Switching Facility</b>	<p>Unit Holders are permitted to switch from and to other funds managed by us provided that both funds are denominated in the same currency. Switching will be made at the prevailing NAV per Unit of the Class to be switched from on a Business Day when the switching request is received and accepted by us, subject to the availability and any terms and conditions imposed by the intended fund to be switched to, if any.</p> <p>There is no minimum Units for switching or restriction on the frequency of switching. However, Unit Holders must meet the minimum Unit holdings (after the switch) of the Class intended to be switch from unless they are redeeming all their investments from the Class.</p> <p>Switching is treated as a withdrawal from 1 fund and an investment into another fund. Unit Holders who switch from a fund with a lower sales charge to a fund with a higher sales charge need to pay the difference in sales charge between the sales charge of these 2 funds in addition to the switching fee. Unit Holders who switch from a fund with higher sales charge to a fund with a lower sales charge do not need to pay the difference in sales charge between these funds.</p> <p>We reserve the right to vary the terms and conditions for switching from time to time, which shall be communicated to you in writing.</p> <p><i>Note: Our distributors may set an earlier cut-off time for receiving applications in respect of switching of Units. Please check with the respective distributors for their respective cut-off time.</i></p>
<b>Cooling-off Right</b>	<p>Cooling-off right is not applicable for this Fund.</p>
<b>Dealing Cut-Off Time for Subscription, Redemption and Switching of Units</b>	<p>The dealing cut-off time shall be at <b>4.00 p.m.</b> on a Business Day.</p> <p>Any application received after the cut-off time on a Business Day will be treated as having been received on the next</p>

TRANSACTION DETAILS	
	<p>Business Day and will be processed on the next Business Day based on the next Forward Pricing of the Fund.</p> <p><i>Note: Our distributors may set an earlier cut-off time for receiving applications in respect of any dealing in Units. Please check with the respective distributors for their respective cut-off time.</i></p>
<b>Subscription of Units</b>	<p>Subscription request/application can be made on any <b>Business Day</b>. There is no restriction on the frequency of subscription.</p> <p>For any subscription request/application received via fax or e-mail notification by us as well as cleared funds received on or before the cut-off time of 4.00 p.m. on a Business Day, the Units will be created based on the NAV per Unit as at the next valuation point after the applicable for subscription of Units is received and accepted by us. Any subscription request/application received or deemed to have been received by us after this cut-off time would be considered as being transacted on the next Business Day.</p> <p><i>Note: Our distributors may set an earlier cut-off time for receiving requests/applications in respect of subscription of Units. Please check with the respective distributors for their respective cut-off time.</i></p>
<b>Redemption of Units and Payment of Redemption Proceeds</b>	<p>Redemption request/application can be made on any <b>Business Day</b>. There is no restriction on the frequency of redemption.</p> <p>For any redemption request/application received or deemed to have been received via fax or e-mail notification by us on or before the cut-off time of 4.00 p.m. on any Business Day, the Units will be cancelled based on the NAV per Unit as at the next valuation point after the request for redemption of Units is received by us. We will pay the redemption proceeds to Unit Holders within fourteen (14) Business Days from the day the redemption request/application is received by us and provided that all documentations are complete and verifiable. Any redemption request/application received or deemed to have been received by us after the cut-off time would be considered as being transacted on the next Business Day.</p> <p>However, in the event that the redemption requests/applications received by us on a Business Day constitutes 20% of the Fund's NAV or exceeds USD500,000 in aggregate in a single Business Day (whichever is lower), the payment of redemption proceeds will be made to the Unit Holders within thirty (30) days after the redemption request/application is received by us. For partial redemption, the minimum Unit holdings remaining in the respective Classes must always be maintained. If the remaining Unit holdings is less than the minimum Unit holdings after a redemption request, full redemption will be initiated.</p> <p>Transaction costs such as charges for electronic payments, if any, will be borne by the Unit Holders and set-off against the redemption proceeds.</p>

TRANSACTION DETAILS	
	<p>We shall remit the redemption proceeds to the bank account held in the name of the Unit Holder(s).</p> <p><i>Note: Our distributors may set an earlier cut-off time for receiving requests/applications in respect of redemption of Units. Please check with the respective distributors for their respective cut-off time.</i></p>
<p>For both application for and redemption of Units, we shall not be held responsible for any delay or loss incurred in the event of:</p> <ul style="list-style-type: none"> <li>• Real Time Electronic Transfer of Funds and Securities (RENTAS) experiencing problems;</li> <li>• Any remittance of funds that does not correspond with the request promptly;</li> <li>• Inaccurate details (including but not limited to identity card number and account number) provided by Unit Holders; or</li> <li>• Circumstances beyond our control or the Trustee's control.</li> </ul>	

## 6. RISKS RELATING TO THE FUND

It is important to note that events affecting the investments cannot always be foreseen. Therefore, it is not always possible to protect your investment against all risks. The various 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 we recommend that you read the entire Information Memorandum to assess the risks of the Fund.

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

### 6.1 General Risks of Investing in the Fund

GENERAL RISKS	
<b>Market Risk</b>	The value of an investment will decrease or increase due to changes in market factors i.e. economic, political or other events that impact large portions of the market. Market risk cannot be eliminated, hence the Fund's investment portfolio may be prone to changing market conditions that may result in uncertainties and fluctuations in the value of the underlying investment portfolio of the Fund, causing the NAV or prices of Units to fluctuate.
<b>Inflation Risk</b>	This is the risk that Unit Holders' investment in the Fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce Unit Holders' purchasing power even though the value of the investment in monetary terms has increased.
<b>Liquidity Risk</b>	Liquidity risk refers to the lack of ease which an investment can be liquidated at or near its fair value, depending on the volume traded on the market. It may occur when the Fund



GENERAL RISKS	
	holds investments which are thinly traded, and if at the same time, the Fund experiences large redemptions, which in turn, would require the selling of investments of the Fund at a point in time when prices are unfavourable due to insufficient buyers in the market at the actual or desired prices. We may also be required to prematurely unwind our investments resulting in foregone interests, thus reducing the Fund's potential returns. The risk is mitigated by diversifying the investments of the Fund in a wide range of securities and avoiding securities with poor liquidity.
<b>Non-Compliance Risk</b>	This is the risk that we may not follow the provisions set out in this Information Memorandum or the Deed or the law, rules or guidelines that governs the Fund or our own internal procedures whether by oversight or by omission. This risk may also occur indirectly due to legal risk, which is a risk of circumstances from the imposition and/or amendment on the relevant regulatory frameworks, laws, rules, and other legal practices affecting the Fund. An act of non-compliance/ mismanagement of the Fund may lead to operational disruptions that could potentially be detrimental to the Fund. We aim to mitigate this risk by placing stringent internal policies and procedures and compliance monitoring processes to ensure that the Fund is in compliance with the relevant fund regulations or Guidelines.
<b>Loan Financing Risk</b>	This risk occurs when Unit Holders take a loan or financing to finance their investment. The inherent risk of investing with borrowed money or financed money includes Unit Holders being unable to service the loan repayments or financing instalments. In the event Units are used as collateral, the Unit Holder may be required to top-up his or her existing instalment if the prices of Units fall below a certain level due to market conditions. Failing which, the Units may be sold at a lower NAV per Unit as compared to the NAV per Unit at the point of purchase towards settling the loan or financing.
<b>Returns Are Not Guaranteed</b>	Unit Holders should be aware that there is no guarantee of any income distribution or capital appreciation by investing in the Fund. Unlike fixed deposits placed directly by the Unit Holders with any financial institution which carry a specific rate of return, the Fund does not provide a fixed rate of return.

## 6.2 Specific Risks of the Fund

SPECIFIC RISKS	
<b>Concentration Risk</b>	As the Fund invests at least 90% of its NAV in the Target Fund, it is subject to concentration risk as the performance of the Fund would be dependent on the performance of the Target Fund.
<b>Default Risk</b>	Default risk relates to the risk that an issuer of a money market instrument either defaulting on payments or failing to make payments in a timely manner which will in turn adversely

<b>SPECIFIC RISKS</b>	
	<p>affect the value of the money market instruments. This could adversely affect the value of the Fund as up to 10% of the NAV of the Fund will be invested in liquid assets which include but are not limited to deposits and money market instruments.</p> <p>Deposits that the Fund placed with financial institutions are also exposed to default risk. If the financial institutions become insolvent, the Fund may suffer capital losses with regards to the capital invested and interest foregone, causing the performance of the Fund to be adversely affected. Placement with financial institutions will also be made based on prudent selection.</p>
<b>Counterparty Risk</b>	<p>Counterparty risk refers to a risk that relates to the credit standing of counterparties when OTC transactions are carried out and is generally not applicable to transactions performed through exchanges. In the event where counterparties of a contract fail to live up to its contractual obligations, the Fund will suffer from financial losses. The Fund seeks to reduce this risk by performing fundamental credit research and analysis to determine the creditworthiness of the counterparties, prior to commencement of the investment.</p> <p>Should there be a downgrade in the credit rating of the OTC derivatives' counterparty, we will evaluate the situation and reassess the creditworthiness of the counterparty. We will take the necessary steps in the best interest of the Fund.</p>
<b>Country Risk</b>	<p>The investment of the Fund may be affected by risk specific to the country in which it invests in. Such risks include changes in the country's economic, social and political environment. The value of the assets of the Fund may also be affected by uncertainties such as currency repatriation restrictions or other developments in the law or regulations of the country in which the Fund invest in, i.e. Luxembourg, the domicile country of the Target Fund.</p>
<b>Currency Risk</b>	<p>As the base currency of the Fund is denominated in USD and the currency denomination of the Classes may be denominated in other than USD, the Classes not denominated in USD are exposed to currency risk. Any fluctuation in the exchange rates between USD and the currency denomination of the Class (other than USD Class) will affect the Unit Holder's investments in those Classes (other than USD Class). The impact of the exchange rate movement between the base currency of the Fund and the currency denomination of the Class (other than USD Class) may result in a depreciation of the Unit Holder's holdings as expressed in the base currency of the Fund.</p> <p>In order to manage currency risk, we may employ currency hedging strategies to fully or partially hedge the foreign currency exposure of the Class other than MYR Class and USD Class. However, every hedge comes with a cost and will be borne by the respective Class.</p> <p>Currency hedging may reduce the effect of the exchange rate movement for the Class being hedged (other than MYR Class</p>

SPECIFIC RISKS	
	<p>and USD Class) but it does not entirely eliminate currency risk between the Class and the base currency of the Fund. The unhedged portion of the Class will still be affected by the exchange rate movements and it may cause fluctuation of NAV of the Class. You should note that if the exchange rate moves favourably, the Class (other than MYR Class and USD Class) will not benefit from any upside in currency movement due to the hedging strategy. In addition, hedging is subject to a minimum size of entering into a hedging contract and the cost of hedging may affect returns of the hedged class.</p> <p>There is no guarantee that the hedging will be successful and mismatches may occur between the currency position of the Fund and the Class being hedged.</p>
<b>Investment Manager Risk</b>	<p>The Fund will invest in the Target Fund managed by a foreign asset management company. This risk refers to the risk associated with the Management Company and Investment Manager, which include:</p> <ul style="list-style-type: none"> <li>(i) the risk of non-adherence to the investment objective, strategy and policies of the Target Fund;</li> <li>(ii) the risk of direct or indirect losses resulting from inadequate or failed operational and administrative processes and systems by the Management Company and Investment Manager; and</li> <li>(iii) the risk that the Target Fund may underperform its benchmark due to poor investment decisions by the Management Company and Investment Manager.</li> </ul>

### 6.3 Risk Management Strategy

RISK MANAGEMENT STRATEGY	
<b>Risk Management Strategy and Technique</b>	<p>The risk management strategy and technique employed by the Fund is to adopt temporary defensive positions as disclosed in the Section 3: Fund Details under the heading “Temporary Defensive Positions”.</p> <p>In addition, the Manager may, in consultation with the Trustee and subject to Unit Holders’ approval, replace the Target Fund with another fund of a similar objective if, in the Manager’s opinion, the Target Fund no longer meets the Fund’s investment objective.</p>

## 7. PRICING POLICY

PRICING POLICY	
<b>Single Pricing Regime</b>	<p>We adopt a single pricing regime in calculating a Unit Holder’s purchase and redemption of Units. This means that all purchases and redemptions are transacted on a single price (i.e. NAV per Unit). You would therefore purchase and redeem</p>

PRICING POLICY	
	Units at NAV per Unit. The Selling Price and Redemption Price are based on Forward Pricing.
<b>Selling Price</b>	<p>The Selling Price of a Unit of a Class is the NAV per Unit at the next valuation point after the request to purchase Units is received by us (Forward Pricing). The sales charge applicable to the Class is payable by you in addition to the Selling Price for the Units purchased.</p> <p><u>Calculation of Selling Price</u></p> <p><b>Illustration - Sale of Units</b></p> <p><b>Example:</b></p> <p>If you wish to invest RM10,000.00 in MYR Class before 4.00 p.m. on any Business Day, and if the sales charge is 5.00% of the NAV per Unit of the MYR Class, the total amount to be paid by you and the number of Units issued to you will be as follows:</p> <p>Assuming that the NAV per Unit for the MYR Class at the end of a Business Day = RM0.5000.</p> $\begin{aligned} \text{Sales charge incurred} &= \frac{\text{Investment amount}}{1 + \text{sales charge (\%)}} \times \text{sales charge (\%)} \\ &= \frac{\text{RM10,000}}{1 + 5.0\%} \times 5.0\% \\ &= \text{RM476.19} \end{aligned}$ $\begin{aligned} \text{Net investment amount} &= \text{Investment amount} - \text{sales charge} \\ &= \text{RM10,000} - \text{RM476.19} \\ &= \text{RM9,523.81} \end{aligned}$ $\begin{aligned} \text{Units credited to investor} &= \text{Net investment amount} / \text{NAV per Unit} \\ &= \text{RM9,523.81} / \text{RM0.5000} \\ &= 19,047.62 \text{ Units} \end{aligned}$
<b>Redemption Price</b>	<p>The Redemption Price of a Unit of a Class is the NAV per Unit at the next valuation point after the redemption request is received by us (Forward Pricing).</p> <p><u>Calculation of Redemption Price</u></p> <p><b>Illustration - Redemption of Units</b></p> <p><b>Example:</b></p> <p>If you wish to redeem 10,000.00 Units from MYR Class before 4.00 p.m. on any Business Day and if no redemption charge is imposed, the total amount to be paid to you and the number of Units redeemed by you will be as follows:</p> <p>Assuming that the NAV per Unit for the MYR Class at the end of a Business Day = RM0.5000</p> <p>Redemption charge payable by you = 0% x RM0.5000 x 10,000 Units = RM0.00</p> <p>The total amount to be paid to you will be:</p> <p>= the number of Units to be redeemed multiplied with the NAV per Unit less redemption charge</p>

PRICING POLICY	
	<p>= [10,000.00 Units x RM0.5000] - RM0.00</p> <p>= <b><u>RM5,000.00</u></b></p> <p>Therefore, you will receive <b><u>RM5,000.00</u></b> as redemption proceeds.</p>
<b>Incorrect Pricing</b>	<p>We shall ensure that the Fund and the Units of the Class are correctly valued and priced according to the Deed and all relevant laws. Where there is an error in the valuation and pricing of the Fund and/or Units, any incorrect valuation and pricing of the Fund and/or Units which is deemed to be significant will involve the reimbursement of money in the following manner:</p> <p>(i) by us to the Fund; or</p> <p>(ii) by the Fund to you and/or to former Unit Holders.</p> <p>However, reimbursement of money shall only apply if the error is at or above the significant threshold of 0.5% of the NAV per Unit and the amount to be reimbursed is RM10.00 (or its equivalent in foreign currency) or more.</p>

## 8. VALUATION POLICY AND VALUATION BASIS

VALUATION POLICY AND VALUATION BASIS	
<b>Valuation Point</b>	<p>The Fund must be valued at least once every Business Day after the close of the market in which the portfolio of the Fund is invested for the relevant day but not later than the end of next Business Day.</p> <p>As such, the daily price of the Fund for a particular Business Day will not be published on the next Business Day but will instead be published two (2) Business Days later (i.e., the price will be two (2) days old).</p>
<b>Valuation of Investment</b>	<p>The valuation bases of the permitted investments of the Fund are as follows:</p> <p><u>Collective Investment Schemes</u></p> <p>Investment in unquoted collective investment schemes are valued each day based on the last published price per share for that collective investment scheme.</p> <p><u>Deposits</u></p> <p>Placement of deposits with financial institutions are valued daily by reference to the principal value of such investments and the interest accrued thereon for the relevant period.</p> <p><u>Money market instruments</u></p> <p>Investments in commercial papers and treasury bills are valued each day based on the price quoted by a bond pricing agency (“BPA”) registered with the SC.</p> <p>For investments in money market instruments that are not quoted by BPA, such instruments are valued each day at cost,</p>

VALUATION POLICY AND VALUATION BASIS	
	<p>adjusted for amortisation of premium or accretion of discount over their par value at the time of acquisition, less provision for any diminution in value.</p> <p><u>Derivatives</u></p> <p>Derivative positions will be valued daily at fair value, as determined in good faith by us based on methods or bases which have been verified by the auditor and approved by the Trustee.</p> <p><u>Any other investments</u></p> <p>Fair value as determined by us in good faith, on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.</p> <p><u>Foreign Exchange Translation</u></p> <p>Foreign exchange translation of foreign investments for a particular Business Day is determined based on the bid foreign exchange rate quoted by Bloomberg or Reuters at United Kingdom time 4.00 p.m. which is equivalent to 11.00 p.m. or 12.00 midnight (Malaysia time) on the same day, or such other time as prescribed from time to time by FIMM or any relevant laws.</p>

## 9. PARTIES TO THE FUND

PARTIES TO THE FUND	
<b>The Manager</b>	<p>We are a member of Malayan Banking Berhad Group (“Maybank Group”). We were established on 5 March 1997 following the corporatization of the Investment Department of Maybank Investment Bank Berhad (“MIB”). MIB, which was incorporated on 28 September 1973, is the investment banking arm of the Maybank Group. We are a holder of a Capital Markets Services Licence under the CMSA.</p> <p>As at LPD, we have over 30 years of experience including the period prior to our corporatization at MIB in managing investments ranging from equities, fixed income securities, money market instruments to unit trust funds and wholesale funds mainly on behalf of corporations, institutions, insurance and takaful companies and individuals.</p>
<b>Our Role as the Manager</b>	<p>We are responsible for the day to day management of the Fund in accordance with, amongst others, the provisions of the Deed, the CMSA, the relevant SC’s guidelines and our internal policies and for the development and implementation of appropriate investment strategies. The main tasks performed by us include:</p> <ul style="list-style-type: none"> <li>(a) selecting and managing investments of the Fund;</li> <li>(b) executing, supervising and valuing investments of the Fund;</li> </ul>

<b>PARTIES TO THE FUND</b>	
	<p>(c) conducting the sale and redemption of Units in the Fund;</p> <p>(d) issuing reports on the Fund's performance;</p> <p>(e) distributing income to Unit Holders; and</p> <p>(f) keeping proper records of the Fund.</p>
<b>Our Investment Team</b>	<p>Our investment team formulates, establishes and implements investment strategies and policies. The investment team will review and monitor the success of these strategies and policies using predetermined benchmarks towards achieving a proper performance for the Fund. The investment team will also ensure investment guidelines and regulations are complied with. The investment team will meet at least once a month or more should the need arise.</p>
<b>Designated Fund Manager</b>	Syhiful Zamri bin Abdul Azid
<b>The Trustee</b>	TMF Trustees Malaysia Berhad
<b>Duties and Responsibilities of the Trustee</b>	<p>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. In carrying out these functions and duties, the Trustee has to exercise all due care, skills, diligence and vigilance and is required to act in accordance with the provisions of the Deed and all relevant laws. Apart from being the legal owner of the Fund's assets, the Trustee is also responsible for ensuring that the Manager performs its duties and obligations in accordance with the provisions of the Deed and all relevant laws.</p>
<b>Trustee's Statement of Responsibility</b>	<p>The Trustee has covenanted in the Deed that it will exercise all due diligence and vigilance in carrying out its functions and duties, and in safeguarding the rights and interests of Unit Holders.</p>
<b>Trustee's Material Litigation and Arbitration</b>	<p>As at LPD, the Trustee is not engaged in any material litigation and arbitration, including those pending or threatened, and is not aware of any fact likely to give rise to any proceedings which might materially affect the business or financial position of the Trustee.</p>

## 10. SALIENT TERMS OF THE DEED

### 10.1 Rights of the Unit Holders

A Unit Holder has the right, amongst others:

- (a) to receive distribution of income (if any);
- (b) to participate in any increase in the value of the Units;
- (c) to call for Unit Holders' meetings, and to vote for the removal of the Trustee or the Manager through special resolution;

- (d) to receive annual and quarterly reports of the Fund; and
- (e) to enjoy such other rights and privileges as set out in the Deed.

No Unit Holder shall be entitled to require the transfer to him of any of the Fund's assets or be entitled to interfere with or question the exercise by the Trustee, or the Manager on its behalf, of the rights of the Trustee as the registered owner of such assets.

## 10.2 Liabilities of Unit Holders

No Unit Holder is liable for any amount in excess of the purchase price paid for the Units as determined in accordance to the Deed at the time the Units were purchased and any charges payable in relation thereto.

A Unit Holder shall not be under any obligation to indemnify the Manager and/or the Trustee in the event that the liabilities incurred by the Manager and/or the Trustee 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 Manager and/or the Trustee pursuant to this clause shall be limited to recourse to the Fund.

## 10.3 Termination of the Fund or a Class

### Termination of the Fund

The Manager, in accordance with the Deed, reserves the right to terminate the Fund if the Fund is left with no Unit Holders or where the Manager determines that it is in the best interest of the Unit Holder. The Manager, upon termination, shall notify the existing Unit Holders of the Fund in writing of the following options:

1. to receive the net cash proceeds derived from the sale of all the Fund's assets less any payment for liabilities of the Fund and any cash produce available for distribution (if any), in proportion to the number of Units held by the Unit Holders respectively;
2. to use the net cash proceeds to invest in any other wholesale fund managed by the Manager upon such terms and conditions as shall be set out in the written notification; or
3. to choose any other alternative as may be proposed by the Manager.

The Manager may also, in its sole opinion and without first obtaining the consent of the Unit Holders, terminate the trust hereby created and wind up the Fund if the Manager deems it to be uneconomical for the Manager to continue managing the Fund.

Nonetheless, the Fund may be terminated or wound up if a special resolution is passed at a Unit Holders' meeting to terminate or wind up the Fund.

### Termination of a Class

The Manager may terminate a particular Class via the passing of a special resolution by the Unit Holders of such Class at a meeting of such Unit Holders, and subject to and in accordance with the relevant laws. The Manager may only terminate a particular Class if the termination of that Class does not prejudice the interests of Unit Holders of any other Class. For the avoidance of doubt, the termination of a Class shall not affect the continuity of any other Class of the Fund.

The Manager may, in its sole discretion and without having to obtain the prior consent of the Unit Holders, terminate a particular Class if the Manager deems it to be uneconomical for the Manager to continue managing that Class.



#### 10.4 Power to call for a Meeting by Unit Holders

A Unit Holders' meeting may be called by the Manager, Trustee and/or Unit Holders. Any such meeting must be convened in accordance with the Deed.

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 such a meeting unless a direction has been received from not less than fifty (50) or one-tenth (1/10) of all the Unit Holders, whichever is the lesser number.

Every question arising at any meeting shall be decided in the first instance by a show of hands unless a poll is demanded or, if it be a question which under the Deed requires a special resolution a poll shall be taken. On a show of hands every Unit Holder who is present in person or by proxy shall have one vote. On a voting by poll, the votes by every Unit Holder present in person or by proxy shall be proportionate to the value of Units held by him.

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

- (a) 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
- (b) 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 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 at the time of the meeting.

#### 11. CONFLICT OF INTERESTS AND RELATED PARTY TRANSACTIONS

##### Manager

As at LPD, we are not aware of any existing or potential conflict of interest situations which may arise.

Save as disclosed below, there are no existing or proposed related party transactions involving the Fund, us as the manager, the Trustee and/or persons connected to them as at LPD:

Name of Party	Name of Related Party and Nature of Relationship	Existing / Potential Related Party Transaction
The Manager	Maybank.	Distributor:

	<p>The Manager is wholly-owned by Maybank Asset Management Group Berhad (“MAMG”). Maybank is a substantial shareholder of MAMG.</p>	<p>Maybank has been appointed as one of the Manager’s institutional unit trust scheme advisers.</p> <p>Delegate: The Manager has delegated its back office functions (i.e. the fund accounting and valuation function, clearing and settlement and maintenance of the register of Unit Holders) to Maybank Securities Solutions which is a unit within Maybank.</p>
	<p>Maybank Investment Bank Berhad.</p> <p>Maybank Investment Bank Berhad is wholly-owned by Maybank.</p>	<p>Delegate: The Manager has delegated its back office functions (i.e. finance, performance attribution, administration, legal, compliance, corporate secretarial, operations, information technology, risk management, strategy and project management office) to Maybank Investment Bank Berhad.</p>

## 12. TAX

Unit Holders and/or the Fund, as the case may be, will bear any tax which may be imposed by the government or other authorities from time to time in addition to the applicable fees, charges and expenses stated in this Information Memorandum.

## 13. CUSTOMER INFORMATION SERVICE

Unit Holders can seek assistance on any issue relating to the Fund from our client servicing personnel at our office at 03 - 2297 7888 from 8.45 a.m. to 5.45 p.m. from Monday to Thursday and from 8.45 a.m. to 4.45 p.m. on Friday. Alternatively, Unit Holders may e-mail their enquiries to [mamcs@maybank.com.my](mailto:mamcs@maybank.com.my).

Alternatively, Unit Holders can contact:

- (i) Complaints Bureau, FIMM via:
- Tel No: 03 - 2092 3800
  - Fax No: 03 - 2093 2700
  - email: [complaints@fimm.com.my](mailto:complaints@fimm.com.my)
  - Online complaint form: [www.fimm.com.my](http://www.fimm.com.my)
  - Letter: Complaints Bureau  
Legal, Secretarial & Regulatory Affairs  
Federation of Investment Managers Malaysia  
19-06-1, 6<sup>th</sup> Floor Wisma Tune  
No. 19, Lorong Dungun

Damansara Heights  
50490 Kuala Lumpur.

- (ii) Securities Industry Dispute Resolution Center (SIDREC) via:
- Tel No: 03 - 2282 2280
  - Fax No: 03 - 2282 3855
  - email: [info@sidrec.com.my](mailto:info@sidrec.com.my)
  - Letter: Securities Industry Dispute Resolution Center  
Unit A-9-1  
Level 9, Tower A  
Menara UOA Bangsar  
No. 5, Jalan Bangsar Utama 1  
59000 Kuala Lumpur.
- (iii) Consumer & Investor Office, SC via:
- Tel No: 03 - 6204 8999 (*Aduan hotline*)
  - Fax No: 03 - 6204 8991
  - email: [aduan@seccom.com.my](mailto:aduan@seccom.com.my)
  - Online complaint form: [www.sc.com.my](http://www.sc.com.my)
  - Letter: Consumer & Investor Office  
Securities Commission Malaysia  
No. 3 Persiaran Bukit Kiara  
Bukit Kiara  
50490 Kuala Lumpur.

## 14. APPENDIX

### 14.1 Investment Restrictions

1. Where, on an ancillary basis, investment in the following security types is made, exposure will be limited to:
  - money market securities: 30%
2. For temporary defensive purposes, investments in money market securities may exceed 30% of net assets of the Target Fund.
3. Any investment in unrated securities will be limited to 20% of net assets of the Target Fund.
4. Permitted Securities and Transactions:

The Target Fund's usage of a security or transaction must be consistent with its investment policies and restrictions and must comply with the 2010 Law and other applicable EU and Luxembourg laws, regulations, circulars, technical standards etc. In addition, the Target Fund may be subject to various requirements imposed by regulators in non-EU jurisdictions where the Target Fund invests or is marketed. The Target Fund does not need to comply with investment limits when subscription rights attached to securities it owns provided any violations are corrected as noted above. The Target Fund cannot acquire assets that come with unlimited liability attached and, the Target Fund cannot underwrite securities of other issuers.

Security / Transaction	Requirements	
4.1 Transferable securities and money market instruments	Must be listed or dealt on an official stock exchange in an eligible state or must trade in a regulated market in an eligible	Recently issued securities must pledge to seek a listing on a stock exchange or regulated

	state that operates regularly and is recognized and open to the public.	market in an eligible state and must receive it within 12 months of issue.
4.2 Money market instruments that do not meet the requirements in paragraph 4.1	<p>Must be subject (either at the securities level or the issuer level) to investor protection and savings regulation and also must meet one of the following criteria:</p> <ul style="list-style-type: none"> <li>– issued or guaranteed by a central, regional or local authority or a central bank of a EU member, the European Central Bank, the European Investment Bank, the EU, an international authority to which at least one EU nation belongs, a sovereign nation, or in the case of a federation, a federal state.</li> <li>– issued by an issuer or undertaking whose securities qualify under paragraph 4.1.</li> <li>– issued or guaranteed by an issuer that is subject to EU prudential supervision rules or to other prudential rules the CSSF accepts as equivalent.</li> </ul>	<p>Can also qualify if issuer belongs to a category recognized by the CSSF, is subject to investor protections that are equivalent to those described directly at left, and meets one of the following criteria:</p> <ul style="list-style-type: none"> <li>– issued by a company with at least EUR 10 million in capital and reserves that publishes annual accounts consistent with fourth Directive 78/660/EEC.</li> <li>– issued by an entity dedicated to financing a group of companies at least one of which is publicly listed.</li> <li>– issued by an entity dedicated to financing securitisation vehicles that benefit from a banking liquidity line.</li> </ul>
4.3 Shares of UCITS or UCIs that are not linked to the Company*	<p>Must be authorized by an EU member or by a state that the CSSF considers to have equivalent laws and adequate cooperation between authorities.</p> <p>Must issue annual and semi-annual financial reports.</p> <p>Must be limited by constitutional documents to investing no more than 10% of assets in other UCITS or UCIs.</p>	<p>Must be subject either to EU regulatory supervision and investor protections for a UCITS or to equivalent of those outside the EU (especially regarding asset segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments).</p>
4.4 Shares of UCITS or UCIs that are linked to the Company*	Must meet all requirements in paragraph 4.3.	If the UCITS/UCI management fee is lower than the fund's management fee, the

	<p>The UCITS/UCI cannot charge any fund fees for buying or redeeming shares.</p> <p>The prospectus of any fund with substantial investments in other UCITS/UCIs must state maximum management fees for the fund itself and for UCITS/UCIs it intends to hold.</p>	<p>fund can charge the difference between the two management fees on assets invested in the UCITS/UCI. Otherwise, the fund must waive its management fee on assets invested in the UCITS/UCI.</p>
4.5 Shares of other funds of the Company	<p>Must meet all requirements in paragraphs 4.3 and 4.4.</p> <p>The target fund cannot invest, in turn, in the acquiring fund (reciprocal ownership).</p> <p>At the time of investment, the target fund must not have more than 10% of its assets in any other fund.</p>	<p>The acquiring fund surrenders all voting rights in shares it acquires.</p> <p>The shares do not count as assets of the acquiring fund for purposes of minimum asset thresholds.</p> <p>Adhering to these requirements exempts the Company from the requirements of the Law of 10 August 1915.</p>
4.6 Real estate, precious metals and commodities	<p>Investment exposure is allowed only through transferable securities, derivatives or other allowable types of investments</p>	<p>The Company may directly purchase real estate or other tangible property that is directly necessary to its business.</p> <p>Ownership of precious metals or commodities, directly or through certificates, is prohibited.</p>
4.7 Credit institution deposits	<p>Must be able to be withdrawn on demand and must not have a maturity longer than 12 months.</p>	<p>Institutions either must be located in an EU Member State or, if not, subject to EU prudential rules or to other prudential rules the CSSF accepts as equivalent.</p>
4.8 Ancillary liquid assets	<p>No stated requirements</p>	<p>As a practical matter, the Target Fund may hold up to (but not including) 50% of assets in cash or other liquid assets.</p>
4.9 Derivatives and equivalent	<p>Underlying investments must be those described in paragraphs 4.1, 4.2, 4.3, 4.4 and 4.7,</p>	<p>OTC derivatives (those that do not trade on an eligible market for</p>

<p>cash-settled instruments</p>	<p>underlying indices, interest rates, forex rates or currencies that are within scope for the Target Fund's non-derivative investments.</p> <p>Total exposure cannot exceed 100% of the Target Fund's assets.</p>	<p>transferable securities, as defined above) must meet all of the following criteria:</p> <ul style="list-style-type: none"> <li>– be in categories approved by the CSSF.</li> <li>– have reliable daily valuations that are accurate and independent.</li> <li>– be able to be sold, liquidated or otherwise closed at fair value at any time.</li> <li>– be with counterparties that are subject to prudential supervision.</li> </ul>
<p>4.10 Transferable securities and money market instruments that do not meet the requirements in paragraphs 4.1, 4.2, 4.3, 4.7, 4.8 and 4.9.</p>	<p>Limited to 10% of the Target Fund's assets</p>	<p>Investments traded on Russian markets other than the Moscow Exchange are considered to fall within this category.</p>
<p>4.11 Securities lending, sales with right of repurchase, repurchase agreements, reverse repurchase agreements</p>	<p>The volume of transactions must not interfere with the Target Fund's pursuit of its investment policy or its ability to meet redemptions.</p>	<p>The cash collateral from the transactions must be invested in high-quality, short-term investments.</p> <p>Lending or guaranteeing loans to third parties for any other purposes is prohibited.</p>
<p>4.12 Techniques and instruments for efficient portfolio management</p>	<p>Must relate to transferable securities or money market instruments</p>	<p>This category includes derivatives.</p>
<p>4.13 Borrowing</p>	<p>Except for the use of back-to-back loans used for acquiring</p>	

	foreign currencies, all loans must be temporary and are limited to 10% of the Target Fund's net assets.	
4.14 Uncovered short sales	Uncovered short exposure is allowed only through derivatives.	Direct uncovered short sales are prohibited.

\* A UCITS /UCI is considered to be linked to the SICAV if both are managed or controlled by the same or affiliated management companies, or if the SICAV directly or indirectly holds more than 10% of capital or voting rights of the UCITS/UCI.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) INVESTMENT POLICY

The Investment Manager uses fundamental analysis as the foundation of its investment decisions. Through its bottom-up approach, the Investment Manager endeavours to understand the long-term sustainability of a company's business model, and the factors that could cause it to change. The Investment Manager believes that ESG issues can influence investment risk and return, and therefore, incorporates ESG risk considerations into its fundamental investment analysis.

### Sustainability Risks

The Investment Manager considers sustainability risks through the implementation of its proprietary Responsible Investing Indicator Model (or RIIM). The RIIM utilises a selection of ESG/ethical data points to construct a distinct responsible investing (RI) profile of each issuing entity, flagging any elevated RI risks or positive RI characteristics. This process helps the Investment Manager determine which ESG factors may materially impact the value of an investment. These sustainability risks and the ESG factors in general are incorporated into the investment process alongside financials, valuation, macro-economics and other factors, and are components of the investment decision.

As derivatives are not assessed through RIIM, the Investment Manager makes a qualitative judgment as to whether they have any impact on the sustainability risk of the Target Fund.

The tables below set out 1) the selection of ESG/ethical data points considered, where available, within the individual ESG and sustainability (SU) criteria and 2) the latest assessed exposure level that the Target Fund is likely to have to each criteria.

#### 1) ESG and SU criteria and their underlying data points

ESG and SU criteria	Applicable to Sovereign Investments	Applicable to Corporate Investments
Environmental	<ul style="list-style-type: none"> <li>▪ Carbon intensity of energy</li> <li>▪ Policy for energy transition</li> <li>▪ Pollution</li> <li>▪ Baseline water stress</li> <li>▪ Population density</li> <li>▪ Sea level rise</li> <li>▪ Extreme weather</li> <li>▪ Ocean health</li> <li>▪ Biodiversity protection</li> <li>▪ Forest cover</li> </ul>	<ul style="list-style-type: none"> <li>▪ Supply chain</li> <li>▪ Raw materials</li> <li>▪ Energy and emissions</li> <li>▪ Land use</li> <li>▪ Water use</li> <li>▪ Waste</li> <li>▪ General operations</li> <li>▪ Product sustainability</li> <li>▪ Products and services environmental incidents</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Ecosystem vitality (including deforestation)</li> <li>▪ Agriculture</li> <li>▪ Tourism revenue</li> <li>▪ Natural resource rents</li> <li>▪ Resource depletion</li> <li>▪ Carbon cost</li> </ul>	
Social	<ul style="list-style-type: none"> <li>▪ Population growth</li> <li>▪ Labour force</li> <li>▪ Population health</li> <li>▪ Health infrastructure</li> <li>▪ Safety</li> <li>▪ Unemployment</li> <li>▪ Education</li> <li>▪ Employment opportunities</li> <li>▪ Development</li> <li>▪ Services</li> <li>▪ Income equality</li> <li>▪ Poverty</li> <li>▪ Gender equality</li> </ul>	<ul style="list-style-type: none"> <li>▪ Supply chain (social)</li> <li>▪ Employee safety and treatment</li> <li>▪ Evidence of meritocracy</li> <li>▪ Society and community relations</li> <li>▪ Product sustainability</li> <li>▪ Product impact on human health and society</li> <li>▪ Product quality and customer incidents</li> </ul>
Government/ Ethics	<ul style="list-style-type: none"> <li>▪ Voice and accountability</li> <li>▪ Political stability</li> <li>▪ Government effectiveness</li> <li>▪ Regulatory quality</li> <li>▪ Rule of law</li> <li>▪ Control of corruption</li> </ul>	<ul style="list-style-type: none"> <li>▪ Business ethics</li> <li>▪ Bribery and corruption</li> <li>▪ Lobbying and public policy</li> <li>▪ Accounting and taxation</li> <li>▪ Board and management conduct</li> <li>▪ ESG accountability</li> </ul>

2) Target Fund exposure levels to each criteria.

The lower the Target Fund's exposure level to each criteria, the less likely it is to experience a material negative impact on its returns as a consequence of the materialisation of an ESG or SU risk.

	Environmental	Social	Governance/ Ethics
Target Fund	Low	Low	Low

There may be circumstances where the Target Fund has some limited, indirect, exposure to the ESG criteria. Examples of these circumstances could include an investment in an instrument that gives exposure to an index, or an investment in a fund managed by an unaffiliated investment manager. In such cases, this potential level of additional exposure would not be reflected in the table above.



## ADDITIONAL RESTRICTIONS REQUIRED BY SPECIFIC JURISDICTIONS

The Target Fund will comply with any additional investment restrictions applicable in the countries in which it is registered for public distribution.

The following is a list of additional restrictions applicable to the Target Fund:

Jurisdiction	Investment	Restriction
Germany	Equity securities	At least 51% of the net assets shall be continuously invested in equities pursuant to German tax requirements.
Hong Kong	Below investment grade securities issued or guaranteed by any one country (including any government body or public or local authority)	Limited to 10% of net assets.
	Derivatives	<p>The expected maximum net derivative exposures (“NDE”) of the Target Fund may be up to 50%.</p> <p>The NDE is calculated in accordance with the Securities and Futures Commission (“SFC”) Code on Unit Trusts and Mutual Funds and the requirements and guidance issued by the SFC, which may be updated from time to time.</p>

## LIMITS TO PROMOTE DIVERSIFICATION

To help ensure diversification, the Target Fund cannot invest more than a certain amount of its assets in one issuer or one category of securities. For purposes of this table and the next, companies that share consolidated accounts are considered a single body.

Category of securities		Maximum investment, as a % of the Target Fund's assets		
		In any one issuer or body	In aggregate	Other
A.	Transferable securities and money market instruments issued or guaranteed by an EU member, a public local authority within the EU, an international body to which at least one EU member belongs, a non-EU nation	35%, or up to 100% subject to the "Six Issue" rule^^		100% (see "Six Issue" rule below)
B.	Bonds subject to certain legally defined investor protections^ and issued by a credit institution domiciled in the EU	25%		80% in bonds from all issuers or bodies in whose bonds the Target Fund has invested more than 5% of its assets
C.	Any transferable securities and money market instruments other than those described in rows A and B above	10%		20% in all companies within a single body  40%, in aggregate, in all issuers or bodies in which the Target Fund has invested more than 5% of its assets
D.	Credit institution deposits	20%		
E.	OTC derivatives with a counterparty that is a credit institution as defined in paragraph 4.7 above	10% exposure		
F.	OTC derivatives with any other counterparty	5% exposure		
G.	Units of UCITS or UCIs as defined in	10%	By law, 30% in non-UCITS and 100% in UCITS,	UCI compartments whose assets

	paragraphs 4.3 and 4.4 above		but the Company imposes its own limit of 10% on both	are segregated are each considered a separate UCI.  Assets held by the UCITS/UCIs do not count for purposes of complying with rows A - F of this table.
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^ Bonds must invest the proceeds from their offerings to maintain full liability coverage and to give priority to bond investor repayment in case of issuer bankruptcy.

^^ “Six Issue” rule

The Target Fund may invest in as few as six issues if it is investing in accordance with the principle of risk spreading and meets both of the following criteria:

- the issues are transferable securities or money market instruments issued or guaranteed by one or more of EU member, public local authority within the EU, another OECD member or an international body to which at least one EU member belongs
- the Target Fund invests no more than 30% in any one issue.

#### LIMITS TO PREVENT CONCENTRATION OF OWNERSHIP

These limits, which apply on the Target Fund level, with the exception of the first limit below which applies at the Company level, are intended to prevent the Company from the risks that could arise for it and the issuer if the Company were to own a significant percentage of a given security or issuer.

Category of securities	Maximum ownership, as a % of the total value of the securities issue		
Securities carrying voting rights	Less than would allow the Company significant management influence		These rules do not apply to: <ul style="list-style-type: none"> <li>• securities described in row A of the table above;</li> <li>• shares of non-EU funds that represent the only way a fund can invest in the non-EU fund’s home country and that comply with articles 48(1) and (2) of the 2010 Law; and</li> <li>• shares of subsidiaries that provide management, advice or</li> </ul>
Non-voting securities of any one issuer	10%		
Debt securities of any one issuer	10%	These limits can be disregarded at purchase if not calculable at that time	
Money market securities of any one issuer	10%		
Shares of any one UCITS or UCI (per Article 2(2) of the 2010 Law	25%		

			marketing in their country, when done as a way of effecting repurchase transactions for Shareholders in accordance with the 2010 Law.
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## 14.2 Specific Risk of the Target Fund

### Country risk - China

All investments in China are subject to the risks described under “Emerging market risk” below. In addition, investments that are transacted via the China Interbank Bond Market or the Stock Connect program, or held in connection with a qualified foreign institutional investor (“QFII”) licence, may be subject to additional risks, as described below:

- *QFII Licence.* The Target Fund may invest in local Chinese securities (“China A securities”) using a QFII licence. Chinese regulators require that the name of the QFII licence holder be used in connection with assets held on behalf of the Target Fund. The regulators acknowledge that the assets in the Target Fund’s account belong to the Target Fund and not to the Investment Manager or a sub-manager, and the depositary has set up a sub-account in the name of the Target Fund (which is allowed under Chinese law). However, should creditors of the QFII assert that the assets in the accounts are owned by the QFII and not the Target Fund, and if a court should uphold this assertion, creditors of the QFII could seek payment from the assets of the Target Fund.
- *Onshore and offshore renminbi.* In China, the government maintains two separate currencies: internal renminbi (CNY), which must remain within China and generally cannot be owned by foreigners, and external renminbi (CNH), which can be owned by any investor. The exchange rate between the two, and the extent to which currency exchanges involving CNH are allowed, are managed by the government, based on a combination of market and policy considerations. This effectively creates currency risk within a single nation’s currency, as well as liquidity risk, since the conversion of CNY to CNH, and of CNH to other currencies, can be restricted, as can the removal of any currency from China or Hong Kong.
- *STAR Board.* The Target Fund may invest in shares listed on the Science and Technology Innovation Board (“STAR Board”) on the Shanghai Stock Exchange, which is a National Association of Securities Dealers Automated Quotation (“NASDAQ”)-like market launched in 2019. It is a government initiative that, by allowing professional trading and listing, aims to enhance the capability to serve technology innovation and to promote the high-quality development of China’s economy. Any investment in shares listed on STAR Board will be limited to 20%, unless otherwise indicated for the Target Fund.

### Currency risk

Changes in currency exchange rates could reduce investment gains or increase investment losses. Exchange rates can change rapidly and unpredictably.

### Emerging markets risk

Emerging markets are less established than developed markets and therefore involve higher risks. Reasons for this higher risk include:

- political, economic, or social instability
- unfavourable changes in regulations and laws
- failure to enforce laws or regulations, or to recognise the rights of investors as understood in developed markets

- excessive fees, trading costs or taxation, or outright seizure of assets
- rules or practices that place outside investors at a disadvantage
- incomplete, misleading, or inaccurate information about securities issuers
- lack of uniform accounting, auditing and financial reporting standards
- manipulation of market prices by large investors
- arbitrary delays and market closures
- fraud, corruption and error

### **Equity risk**

In general, equities involve higher risks than bonds or money market instruments. Equities can lose value rapidly and can remain at low prices indefinitely. Equities of rapidly growing companies can be highly sensitive to bad news, because much of their value is based on high expectations for the future. Equities of companies that appear to be priced below their true value may continue to be undervalued. If a company goes through bankruptcy or a similar financial restructuring, its equities may lose most or all of their value.

### **Environment, Social and Governance (“ESG”) and Sustainability (“SU”) risk**

Due to the variety of ways to integrate ESG and SU criteria, as well as the lack of available, reliable and/or historical data on which to evaluate these criteria, the assessment of ESG and SU factors as part of the investment process may not be applied uniformly across funds or strategies. As a result, there may be differences in performance compared to similar funds which apply ESG and SU criteria due to the different approach taken by the Investment Manager of the Target Fund, as well as compared to similar funds which do not apply ESG and SU criteria. The risks linked to the application of ESG and SU criteria may also vary over time as the framework continues to evolve.

Due to environmental changes, shifting societal views, and an evolving regulatory landscape related to sustainability issues, the earnings and/or profitability of companies that the Target Fund invests in may be impacted.

ESG or SU event(s) or conditions(s) may occur, which could have a material negative impact on the value of an investment and performance of the Target Fund. The exposure that the Target Fund is likely to have to ESG and SU risks is regularly assessed and disclosed in the Target Fund’s prospectus.

### **Geographic concentration risk**

To the extent that the Target Fund invests a large portion of its assets in a particular geographic area, its performance will be more strongly affected by any social, political, economic, environmental or market conditions within that area. This can mean higher volatility and risk of loss as compared to a fund that invests more broadly.

### **Hedging risk**

The Target Fund’s attempt to reduce or eliminate certain risks may not work as intended.

To the extent that the Target Fund takes measures that are designed to offset specific risks (such as seeking to eliminate currency risks in a share class that is denominated in a different currency than the Target Fund’s portfolio), these measures may work imperfectly, may not be feasible at times, or may fail completely. Hedging involves costs, which reduce investment performance. To the extent that a hedge is successful, it generally eliminates opportunities for gain as well as risks of loss.

### **Investment fund risk**

As with any investment fund, investing in the Target Fund involves certain risks an investor would not face if investing in markets directly:

- the actions of other investors, in particular sudden large outflow of cash, could interfere with orderly management of the Target Fund and cause the Target Fund’s NAV to fall;

- the investor cannot direct or influence how money is invested while it is in the Target Fund;
- the Target Fund’s buying and selling of investments may not be optimal for the tax efficiency of any given investor;
- the Target Fund is subject to various investment laws and regulations that limit the use of certain securities and investment techniques that might improve performance; to the extent that the Target Fund decides to register in jurisdictions that impose narrower limits, this decision could further limit the Target Fund’s investment activities;
- because the Target Fund is based in Luxembourg, any protections that would have been provided by other regulators (including, for investors outside Luxembourg, those of their home regulator) may not apply; and
- because the Target Fund’s shares are not publicly traded, the only option for liquidation of shares is generally redemption, which could be subject to delays and any other redemption policies set by the Target Fund.

### **Management risk**

The Investment Manager or its designees may at times find their obligations to the Target Fund to be in conflict with their obligations to other investment portfolios they manage (although in such cases, all portfolios will be dealt with equitably).

### **Market risk**

Prices of many securities change daily and can fall based on a wide variety of factors.

Examples of these factors include:

- political and economic news
- government policy
- changes in technology and business practices
- changes in demographics, cultures and populations
- natural or human caused disasters
- weather and climate patterns
- scientific or investigative discoveries
- costs and availability of energy, commodities and natural resources

The effects of market risk can be immediate or gradual, short-term or long-term, narrow or broad.

### **Operational risk**

The Target Fund may be subject to errors affecting valuation, pricing, accounting, tax reporting, financial reporting, and trading, among other things. In addition, in any market, but especially in emerging markets, there could be losses due to fraud, corruption, political or military actions, the seizure of assets, or other irregular events.

### **Small and mid-cap risk**

Shares of small and mid-size companies can be more volatile than shares of larger companies. Small and mid-size companies often have fewer financial resources, shorter operating histories, and less diverse business lines, and as a result can be at greater risk of long-term or permanent business setbacks. Initial public offerings can be highly volatile and can be hard to evaluate because of a lack of trading history and relative lack of public information.

### **Stock Connect**

The Target Fund may invest in certain Shanghai-listed and Shenzhen-listed securities (“Stock Connect Securities”) through the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect respectively (“Stock Connect”), a joint securities trading and clearing program designed to permit mutual stock market access between mainland China and Hong Kong. Stock Connect is a joint project of the Hong Kong Exchanges and Clearing Limited (“HKEX”), China Securities Depository and Clearing Corporation Limited (“ChinaClear”), the

Shanghai Stock Exchange and the Shenzhen Stock Exchange. Hong Kong Securities Clearing Company Limited (“HKSCC”), a clearing house that in turn is operated by HKEC, acts as nominee for investors accessing Stock Connect Securities.

Risks of investing through Stock Connect include:

- The regulations governing the Stock Connect are untested, subject to change and may have potential retrospective effect. It is uncertain how they will be applied, and they could be changed.
- The Stock Connect Securities in respect of the Target Fund are held by the depository/sub-custodian in accounts in the Hong Kong Central Clearing and Settlement System (“CCASS”) maintained by the HKSCC as central securities depository in Hong Kong. HKSCC in turn holds the Stock Connect Securities, as the nominee holder, through an omnibus securities account in its name registered with ChinaClear for the Stock Connect. The precise nature and rights of the Target Fund as the beneficial owner of the Stock Connect Securities through HKSCC as nominee is not well defined under Chinese law. Therefore, the exact nature and methods of enforcement of the rights and interests of the Target Fund under Chinese law is uncertain.
- Should ChinaClear default, HKSCC’s contractual liabilities will be limited to assisting participants with claims against ChinaClear. The Target Fund’s attempts to recover lost assets could involve considerable delays and expenses and may not be successful.
- The Stock Connect is subject to quota limitations. In particular, the Stock Connect is subject to a daily quota which does not belong to the Company or the Target Fund and can only be utilised on a first-come-first-serve basis. Once the daily quota is exceeded, buy orders will be rejected (although investors will be permitted to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the Target Fund’s ability to invest in the Stock Connect Securities on a timely basis, and the Target Fund may not be able to effectively pursue its investment strategy.
- When a share is recalled from the scope of eligible shares for trading via the Stock Connect, the shares can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the Target Fund.
- Each of the HKEC, the Shanghai Stock Exchange and the Shenzhen Stock Exchange reserves the right to suspend trading. Where a suspension is effected, the Target Fund’s ability to access the Chinese Market will be adversely affected.
- Investment in Stock Connect Securities is conducted through brokers, and is subject to the risks of default by such brokers’ in their obligations.

The relevant rules and regulations on the Stock Connect are subject to change which may have potential retrospective effect. The Stock Connect is subject to quota limitations. Where a suspension in the trading through the programme is effected, the Target Fund’s ability to invest in China A-shares or access the PRC market through the programme will be adversely affected. In such event, the Target Fund’s ability to achieve its investment objective could be negatively affected.

## 15. TAX ADVISER'S LETTER



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Taxation adviser's letter in respect of the taxation  
of the unit trust fund and the unit holders  
(prepared for inclusion in this Information Memorandum)

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50490 Kuala Lumpur

8 November 2021

The Board of Directors  
Maybank Asset Management Sdn Bhd  
Level 12, Tower C  
Dataran Maybank  
No. 1, Jalan Maarof  
59000 Kuala Lumpur

Dear Sirs

### Taxation of the unit trust fund and unit holders

This letter has been prepared for inclusion in this Information Memorandum in connection with the offer of units in the unit trust known as **MAMG China Evolution Equity Fund** (hereinafter referred to as "the Fund").

The purpose of this letter is to provide prospective unit holders with an overview of the impact of taxation on the Fund and the unit holders.

### Taxation of the Fund

The taxation of the Fund is subject to the provisions of the Malaysian Income Tax Act 1967 (MITA), particularly Sections 61 and 63B.

Subject to certain exemptions, the income of the Fund comprising profits and other investment income derived from or accruing in Malaysia after deducting tax allowable expenses, is subject to Malaysian income tax at the rate of 24% with effect from the year of assessment 2016.

Tax allowable expenses would comprise expenses falling under Section 33(1) and Section 63B of the MITA. Section 33(1) permits a deduction for expenses that are wholly and exclusively incurred in the production of gross income. In addition, Section 63B allows unit trusts a deduction for a portion of other expenses (referred to as 'permitted expenses') not directly related to the production of income, as explained below.



“Permitted expenses” refer to the following expenses incurred by the Fund which are not deductible under Section 33(1) of the MITA:

- the manager's remuneration,
- maintenance of the register of unit holders,
- share registration expenses,
- secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postage.

These expenses are given a partial deduction under Section 63B of the MITA, based on the following formula:

$$A \times \frac{B}{4C}$$

- where
- A is the total of the permitted expenses incurred for that basis period;
  - B is gross income consisting of dividend<sup>1</sup>, interest and rent chargeable to tax for that basis period; and
  - C is the aggregate of the gross income consisting of dividend<sup>1</sup> and interest (whether such dividend or interest is exempt or not) and rent, and gains made from the realisation of investments (whether chargeable to tax or not) for that basis period,

provided that the amount of deduction to be made shall not be less than 10% of the total permitted expenses incurred for that basis period.

### Exempt income

<sup>1</sup> Pursuant to Section 15 of the Finance Act 2011, with effect from the year of assessment 2011, dividend income is deemed to include income distributed by a unit trust which includes distributions from Real Estate Investment Trusts.

The following income of the Fund is exempt from income tax:

- **Malaysian sourced dividends**

All Malaysian-sourced dividends should be exempt from income tax.

- **Malaysian sourced interest**

- (i) interest from securities or bonds issued or guaranteed by the Government of Malaysia;
- (ii) interest from debentures or *sukuk*, other than convertible loan stock, approved or authorized by, or lodged with, the Securities Commission;
- (iii) interest from Bon Simpanan Malaysia issued by Bank Negara Malaysia;
- (iv) interest derived from Malaysia and paid or credited by banks licensed under the Financial Services Act 2013 or the Islamic Financial Services Act 2013<sup>2</sup>;
- (v) interest derived from Malaysia and paid or credited by any development financial institution prescribed under the Development Financial Institutions Act 2002<sup>2</sup>;
- (vi) interest from *sukuk* originating from Malaysia, other than convertible loan stock, issued in any currency other than Ringgit and approved or authorized by, or lodged with, the Securities Commission or approved by the Labuan Financial Services Authority (LFSA)<sup>3</sup>; and
- (vii) interest which is specifically exempted by way of statutory orders or any other specific exemption provided by the Minister.

- **Discount**

Tax exemption is given on discount paid or credited to any unit trust in respect of investments as specified in items (i), (ii) and (iii) above.

<sup>2</sup> Effective from 1 January 2019, the income tax exemption for a unit trust fund, pursuant to Paragraph 35A, Schedule 6 of the Income Tax Act, 1967 shall not apply to a wholesale fund which is a money market fund. Further, we understand that the Ministry of Finance has decided to withdraw the income tax exemption for corporate investors in Retail Money Market Funds, effective from 1 January 2022. The relevant legislative amendments have not yet been effected and are expected to be included in the Finance Bill 2021.

<sup>3</sup> Effective from the year of assessment 2017, the exemption shall not apply to interest paid or credited to a company in the same group or interest paid or credited to a bank licensed under the Financial Services Act 2013 or the Islamic Financial Services Act 2013; or a development financial institution prescribed under the Development Financial Institutions Act 2002.

### **Foreign sourced income**

Dividends, interest and other income derived from sources outside Malaysia and received in Malaysia by a resident unit trust is exempt from Malaysian income tax. However, such income may be subject to tax in the country from which it is derived.

### **Gains from the realisation of investments**

Pursuant to Section 61(1) (b) of the MITA, gains from the realisation of investments will not be treated as income of the Fund and hence, are not subject to income tax. Such gains may be subject to real property gains tax (RPGT) under the Real Property Gains Tax Act 1976 (RPGT Act), if the gains are derived from the disposal of chargeable assets, as defined in the RPGT Act.

### **Implementation of Sales and Service Tax ("SST")**

Sales and Service Tax ("SST") was re-introduced effective 1 September 2018. Sales Tax of 10% (most common rate) or 5% is charged by Malaysian manufacturers of taxable goods or upon importation into Malaysia of such taxable goods, unless specifically exempted under the Sales Tax (Goods Exempted From Tax) Order 2018. Service Tax at the rate of 6% is charged on certain prescribed taxable services performed by taxable persons as stipulated under Service Tax Regulations 2018. The input tax recovery mechanism under the previous GST regime does not apply to SST. Therefore, any SST incurred is not recoverable and will form a cost element for businesses.

Based on the Service Tax Regulations 2018, a unit trust fund is neither regarded as a taxable person nor as providing taxable services and is therefore not liable for SST registration. Where the Fund incurs expenses such as management fees, the management services provided by asset and fund managers are specifically excluded from the scope of Service Tax. As for other fees, such as trustee fees and other administrative charges, these may be subject to 6% service tax provided they fall within the scope of service tax (i.e. are provided by a "taxable person", who exceeds the required annual threshold (in most cases RM 500,000 per annum) and the services qualify as "taxable services").

### **Taxation of unit holders**

For Malaysian income tax purposes, unit holders will be taxed on their share of the distributions received from the Fund.

The income of unit holders from their investment in the Fund broadly falls under the following categories:

1. taxable distributions; and
2. non-taxable and exempt distributions.

In addition, unit holders may also realise a gain from the sale of units.

The tax implications of each of the above categories are explained below:

#### **1. Taxable distributions**

Distributions received from the Fund will have to be grossed up to take into account the underlying tax paid by the Fund and the unit holder will be taxed on the grossed up amount.

Such distributions carry a tax credit, which will be available for set-off against any Malaysian income tax payable by the unit holder. Should the tax deducted at source exceed the tax liability of the unit holder, the excess is refundable to the unit holder.

Please refer to the paragraph below for the income tax rates applicable to the grossed up distributions.

#### **2. Non-taxable and exempt distributions**

Tax exempt distributions made out of gains from the realisation of investments and exempt income earned by the Fund will not be subject to Malaysian income tax in the hands of the unit holders.

### Rates of tax

The Malaysian income tax chargeable on the unit holders would depend on their tax residence status and whether they are individuals, corporations or trust bodies. The relevant income tax rates are as follows:

Unit holders	Malaysian income tax rates
<p>Malaysian tax resident:</p> <ul style="list-style-type: none"> <li>• Individual and non-corporate unit holders (such as associations and societies)</li> <li>• Co-operatives<sup>4</sup></li> <li>• Trust bodies</li> </ul>	<ul style="list-style-type: none"> <li>• Progressive tax rates ranging from 0% to 30%</li> <li>• Progressive tax rates ranging from 0% to 24%</li> <li>• 24%</li> </ul>

<sup>4</sup> Pursuant to Paragraph 12(1), Schedule 6 of the MITA, the income of any co-operative society–  
(a) in respect of a period of five years commencing from the date of registration of such co-operative society;  
and  
(b) thereafter where the members' funds [as defined in Paragraph 12(2)] of such co-operative society as at the first day of the basis period for the year of assessment is less than seven hundred and fifty thousand ringgit,  
is exempt from tax.

Unit holders	Malaysian income tax rates
<ul style="list-style-type: none"> <li>• Corporate unit holders               <ul style="list-style-type: none"> <li>(i) A company with paid up capital in respect of ordinary shares of not more than RM2.5 million (at the beginning of the basis period for the year of assessment) and gross income from a source or sources consisting of a business not exceeding RM50 million for the basis period for the year of assessment<sup>5 6</sup></li> <li>(ii) Companies other than (i) above</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• First RM600,000 of chargeable income @ 17%</li> <li>• Chargeable income in excess of RM600,000 @ 24%</li> <li>• 24%</li> </ul>
Non-Malaysian tax resident (Note 1): <ul style="list-style-type: none"> <li>• Individual and non-corporate unit holders</li> <li>• Corporate unit holders and trust bodies</li> </ul>	<ul style="list-style-type: none"> <li>• 30%</li> <li>• 24%</li> </ul>

**Note 1:**

Non-resident unit holders may be subject to tax in their respective countries depending on the provisions of the tax legislation in the respective countries and any existing double taxation arrangements with Malaysia.

<sup>5</sup> A company would not be eligible for the 17% tax rate on the first RM600,000 of chargeable income if:-

- (a) more than 50% of the paid up capital in respect of the ordinary shares of the company is directly or indirectly owned by a related company which has paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;
- (b) the company owns directly or indirectly more than 50% of the paid up capital in respect of the ordinary shares of a related company which has paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;
- (c) more than 50% of the paid up capital in respect of the ordinary shares of the company and a related company which has a paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment is directly or indirectly owned by another company.

<sup>6</sup> The above excludes a business trust and a company which is established for the issuance of asset-backed securities in a securitization transaction approved by the Securities Commission.



The Board of Directors  
Maybank Asset Management Sdn Bhd  
8 November 2021

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#### **Gains from sale of units**

Gains arising from the realisation of investments will generally not be subject to income tax in the hands of unit holders unless they are insurance companies, financial institutions or traders / dealers in securities.

#### **Unit splits and reinvestment of distributions**

Unit holders may also receive new units as a result of unit splits or may choose to reinvest their distributions. The income tax implications of these are as follows:

- Unit splits - new units issued by the Fund pursuant to a unit split will not be subject to income tax in the hands of the unit holders.
- Reinvestment of distributions - unit holders may choose to reinvest their income distribution in new units by informing the Manager. In this event, the unit holder will be deemed to have received the distribution and reinvested it with the Fund.

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The Board of Directors  
Maybank Asset Management Sdn Bhd  
8 November 2021

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We hereby confirm that, as at the date of this letter, the statements made in this letter correctly reflect our understanding of the tax position under current Malaysian tax legislation and the related interpretation and practice thereof, all of which are subject to change, possibly on a retrospective basis. We have not been retained (unless specifically instructed hereafter), nor are we obligated to monitor or update the statements for future conditions that may affect these statements.

The statements made in this letter are not intended to be a complete analysis of the tax consequences relating to an investor in the Fund. As the particular circumstances of each investor may differ, we recommend that investors obtain independent advice on the tax issues associated with an investment in the Fund.

Yours faithfully  
Ernst & Young Tax Consultants Sdn Bhd



Bernard Yap  
Partner

Ernst & Young Tax Consultants Sdn Bhd has given its consent to the inclusion of the Taxation Adviser's Letter in the form and context in which it appears in this Information Memorandum and has not withdrawn such consent before the date of issue of this Information Memorandum.



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