



# MAYBANK BLUEWATERZ TOTAL RETURN FUND

(Constituted by way of deed on 9 April 2015)

**Launch date: 24 July 2015**

This Information Memorandum replaces and supersedes the Information Memorandum dated 24 July 2015 and the Supplemental Information Memorandum dated 17 March 2017.

**MANAGER:** Maybank Asset Management Sdn Bhd (421779-M)

**TRUSTEE:** SCBMB Trustee Berhad (1005793-T)

**INVESTORS ARE ADVISED TO READ THIS INFORMATION MEMORANDUM AND OBTAIN PROFESSIONAL ADVICE BEFORE SUBSCRIBING TO THE FUND.**

## THIRD SUPPLEMENTARY INFORMATION MEMORANDUM

This Third Supplementary Information Memorandum dated 20 September 2022 must be read together with the Information Memorandum dated 18 June 2018, the First Supplementary Information Memorandum dated 14 January 2019 and the Second Supplementary Information Memorandum dated 8 June 2020 for:-

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FUND	DATE OF CONSTITUTION
Maybank Bluewaterz Total Return Fund	9 April 2015

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Manager	:	Maybank Asset Management Sdn Bhd (Registration No.: 199701006283 (421779-M))
Trustee	:	SCBMB Trustee Berhad (Registration No.: 201201021301 (1005793-T))

INVESTORS ARE ADVISED TO READ THIS THIRD SUPPLEMENTARY INFORMATION MEMORANDUM DATED 20 SEPTEMBER 2022 TOGETHER WITH THE INFORMATION MEMORANDUM DATED 18 JUNE 2018, THE FIRST SUPPLEMENTARY INFORMATION MEMORANDUM DATED 14 JANUARY 2019 AND THE SECOND SUPPLEMENTARY INFORMATION MEMORANDUM DATED 8 JUNE 2020 AND OBTAIN PROFESSIONAL ADVICE BEFORE SUBSCRIBING TO THE FUND.

## **Responsibility Statements**

This Third 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 Third Supplementary 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 Third Supplementary 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 content of this Third Supplementary 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 Third 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 Third 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.

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1. **Amendment to the definition of “Placing Memorandum” in “Chapter 1 - Definitions” on page 3 of the Information Memorandum**

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

Placing Memorandum refers to the fourth amended and restated placing memorandum dated 12 April 2022.

2. **Amendment to the definition of “Sophisticated Investor” in “Chapter 1 - Definitions” on pages 3 - 4 of the Information Memorandum**

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

Sophisticated Investor means:

- (a) a unit trust scheme, private retirement scheme or prescribed investment scheme;
- (b) Bank Negara Malaysia;
- (c) a licensed person or a registered person;
- (d) an exchange holding company, a stock exchange, a derivatives exchange, an approved clearing house, a central depository or a recognized market operator;
- (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;
- (f) a bank licensee or an insurance licensee as defined under the Labuan Financial Services and Securities Act 2010;
- (g) an Islamic bank licensee or a takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010;
- (h) a chief executive officer or a director of any person referred to in paragraphs (c) to (g);
- (i) a closed-ended fund approved by the SC;
- (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;

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- (k) a corporation that -
  - (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
  - (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;
- (l) a corporation with total net assets exceeding RM10 million or its equivalent in foreign currencies based on the last audited accounts;
- (m) a partnership with total net assets exceeding RM10 million or its equivalent in foreign currencies;
- (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

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- (r) any other category of investor(s) as may be permitted by the SC from time to time and/or under the relevant guidelines for wholesale funds.

3. **Amendment to the definition of “Shareholder” in “Chapter 1 - Definitions” on page 5 of the Information Memorandum**

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

Shareholder means a person who is registered on the register of members of the Target Fund as the holder of the Class A Participating Shares of the Target Fund

4. **Amendment to the definition of “Standard & Poor’s” in “Chapter 1 - Definitions” on page 5 of the Information Memorandum**

The definition of “Standard & Poor’s” is hereby deleted in its entirety.

5. **Amendment to section 3.10 - Benchmark in “Chapter 3 - Information on the Fund” on page 8 of the Information Memorandum**

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

The Fund’s benchmark shall be based on an absolute return of 6.5% per annum net of fees over Long-term. This is not a guaranteed return and is only a measurement of the Fund’s performance.

*Note: For the purpose of the Fund, the benchmark is only used as a yardstick to assess the performance of the Fund as the Target Fund is an absolute return fund and is benchmark unconstrained, i.e. the Target Fund will be actively managed without reference to any specific benchmark.*

6. **Amendment to section 3.11 - Investment Style & Strategy in “Chapter 3 - Information on the Fund” on page 8 of the Information Memorandum**

The first paragraph is hereby deleted in its entirety and replaced with the following:

First Paragraph

To achieve the investment objective, the Fund will invest between 80% - 98% of its NAV in the Class A participating Shares of the Target Fund which is denominated in USD.

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7. **Amendment to section 3.13 - Investment Restrictions & Limits in “Chapter 3 - Information of the Fund” on page 9 of the Information Memorandum**

The information on paragraph (b) is hereby deleted in its entirety and replaced with the following:

- (b) The Fund will invest between 80% - 98% of its NAV in the Class A Participating Shares of the Target Fund which is denominated in USD.

8. **Amendment to section 3.14 - Valuation of Investment in “Chapter 3 - Information of the Fund” on page 9 of the Information Memorandum**

The information on paragraph (a) is hereby deleted in its entirety and replaced with the following:

**(a) Collective Investment Scheme**

The value of the Class A Participating Shares of the Target Fund will be based on the last published repurchase price of the Class A Participating Share of the Target Fund for the relevant day.

9. **Amendment to section 3.14 - Valuation of Investment in “Chapter 3 - Information of the Fund” on page 10 of the Information Memorandum**

The information on paragraph (c) is hereby deleted in its entirety and replaced with the following:

**(c) 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 a 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 that are not quoted by BPA, such instruments are valued each day at cost, 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.

10. **Amendment to section 4.1 - Structure of the Target Fund in “Chapter 4 - Information on the Target Fund” on page 11 of the Information Memorandum**

The fourth paragraph and the disclaimer box are hereby deleted in its entirety and replaced with the following:

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#### Fourth Paragraph

The Directors may establish new classes of Participating Shares without the consent of existing Shareholders (such as the Fund). Each such class may have different investment parameters, fee structures, redemption periods and/or other features in the Directors' sole discretion. The offering of such new classes of Participating Shares for subscription may be accompanied by a separate offering document or by a supplement to the Placing Memorandum. The establishment of new classes of Participating Shares will not have a detrimental effect on the Class A Participating Shares of the Target Fund as the new classes of Participating Shares would have their own rights and privileges. The rights and privileges of the new classes of Participating Shares will not undermine the rights and privileges of the Shareholders of the Class A Participating Shares.

*The Fund will only be investing in the Class A Participating Shares of the Target Fund.*

**11. Amendment to section 4.6 - Investment Strategy of the Target Fund” in “Chapter 4 - Information on the Target Fund” on page 14 of the Information Memorandum**

- (i) The sixth and seventh paragraphs are hereby deleted in their entirety and replaced with the following:

#### Sixth Paragraph

The Fund intends to take both long and short positions in relation to bonds, based on a top-down macro approach. Factors which may be taken into account in this top-down macro approach include inflation, fiscal balance, yields and growth.

#### Seventh Paragraph

With regard to currencies, the Target Fund intends to take long and short positions\* in various Asia and emerging markets. The Target Fund will make such investments after consideration of various factors, including real effective exchange rates\*\*, foreign investment inflows\*\*\*, current account\*\*\*\*, reserves\*\*\*\*\* and correlation.

#### *Note:*

*\* The Investment Manager will actively hedge currencies which the fixed income securities are denominated.*

*\*\* “real effective exchange rates” means the weighted average of a single country's currency relative to a particular index or a basket of other major currencies adjusted for the effects of inflation. The weights are derived by comparing the relative trade balances, in terms of one country's currency, with every other country within the index.*

*\*\*\* “foreign investment inflows” means inflow of foreign capital in local bonds or equity markets of Asian or emerging markets.*

*\*\*\*\* “current account” means current accounts of Asian or emerging markets.*

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\*\*\*\*\* “reserves” means foreign exchange reserves of Asian or emerging markets.

- (ii) A new ninth paragraph is hereby inserted as follows:

Ninth Paragraph

The business of the Target Fund includes the realisation and distribution of the Target Fund's assets to Shareholders (such as the Fund) during a wind down of the Target Fund's operations.

**12. Amendment to section 4.9 - Investment Restrictions and Limits of the Target Fund in “Chapter 4 - Information on the Target Fund” on pages 15 - 16 of the Information Memorandum**

- (i) The third and fifth bullet points of the first paragraph are hereby deleted in their entirety and replaced with the following:

Third Bullet Point

At the time of acquisition, not more than 15% of the Target Fund's net asset value may be invested in fixed income securities rated as either B1, B2 or B3 by Moody's or the equivalent ratings by any other international credit rating agency\*\*.

Fifth Bullet Point

The Target Fund will not invest in any non-deliverable forwards for a term of more than one (1) year.

- (ii) The third paragraph is hereby deleted in its entirety and replaced with the following:

Third Paragraph

The restrictions set out above are an indication of the boundaries within which it is anticipated the investments of the Target Fund will be managed. The Investment Manager has the discretion to exceed these restrictions if it considers that the objective of the Target Fund will be better achieved in doing so. If any of the investment restrictions set out above are significantly exceeded, the Investment Manager may (but shall not be obliged to) take such steps to bring the investments of the Target Fund within or close to the stated restrictions over such period of time as it may consider appropriate considering all the circumstances but shall not be under any further liability in respect of the exceeding of the restrictions.

- (iii) A new fourth paragraph is hereby inserted as follows:

Fourth Paragraph

For the avoidance of doubt, there shall be no limit on the duration of any fixed income security (of any credit rating category) in which the Target Fund may invest.

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13. **Amendment to section 4.10 - Valuation of the Target Fund in “Chapter 4 - Information of the Target Fund” on page 16 of the Information Memorandum**

The first, third and fourth paragraphs are hereby deleted in its entirety and replaced with the following:

**First Paragraph**

The net asset value and net asset value per Participating Share will be calculated by the Administrator, in consultation with the Investment Manager and under the direction of the Directors or their duly appointed delegates, in accordance with the Constitution and in the manner described below as at a Valuation Point of the Target Fund (except when determination of the net asset value has been suspended in accordance with the Constitution and the Placing Memorandum). The functional currency for the Target Fund is USD and the net asset value and the net asset value per Class A Participating Share of the Target Fund will be denominated in USD.

**Third Paragraph**

The net asset value per Class A Participating Shares of the Target Fund is determined by dividing the value of the assets of the Target Fund attributable to the Class A Participating Shares of the Target Fund less all liabilities of the Target Fund attributable to the Class A Participating Shares of the Target Fund by the number of Class A Participating Shares of the Target Fund as at a Valuation Point of the Target Fund.

**Fourth Paragraph**

The net asset value per Class A Participating Shares of the Target Fund as at a Valuation Point of the Target Fund shall be rounded to the nearest USD0.01 (USD0.005 being rounded up).

14. **Amendment to section 4.11 - Redemption of Shares of the Target Fund” in “Chapter 4 - Information on the Target Fund” on pages 19 - 20 of the Information Memorandum**

- (i) The information in paragraph (i) of (a) limitations on redemptions is hereby deleted in its entirety and replaced with the following:
  - (i) requests are received in respect of any one Dealing Day for Redemptions aggregating more than 20% (or such other percentage as the Directors may determine) of the Class A Participating Shares of the Target Fund in issue or of all the Participating Shares in issue, in which case, the Directors may reduce all but not some of such requests *pro rata* so that they cover no more than the relevant percentage of the Class A Participating Shares of the Target Fund issued or of all the Participating Shares in issue (as applicable); or

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- (ii) The first paragraph of (b) suspension of the issue and redemption of Class B Participating Shares of the Target Fund is hereby deleted in its entirety and replaced with the following:

**(b) Suspension of the issue and redemption of the Class A Participating Shares of the Target Fund**

First Paragraph

The Directors may at any time declare a suspension of (1) the determination of net asset value; and/or (2) the subscription for the Class A Participating Shares of the Target Fund; and/or (3) the redemption of the Class A Participating Shares of the Target Fund at the option of the Shareholder (such as the Fund) (either in whole or in part); and/or (4) the purchase of the Class A Participating Shares of the Target Fund; and/or (5) the payment of any amount to a redeeming Shareholder (such as the Fund) in connection with the redemption of the Class A Participating Shares of the Target Fund, in each case for the whole or any part of any such period and in such circumstances as the Directors may determine which may include during (i) any period when any stock exchange, commodities exchange, futures exchange or over-the-counter market on which a substantial part of the Target Fund's investments is quoted, listed or dealt in is closed otherwise than for ordinary holidays; (ii) any period when dealings on any exchange or market are restricted or suspended; (iii) the existence of any circumstances as a result of which disposal of some or all of the Target Fund's investments cannot, in the absolute discretion of the Investment Manager, be effected normally or without prejudicing the interests of Shareholders (such as the Fund); (iv) the breakdown in any of the means normally employed in determining the net asset value or the subscription price or redemption price per Participating Share of any class or when for any other reason the value of any of the Target Fund's investments cannot be reasonably or accurately ascertained; (v) any period when realisation of the Target Fund's investments or the transfer of funds involved in such realisation cannot, in the opinion of the Investment Manager, be effected at normal prices or normal rates of exchange; (vi) any period when the business operations of the Investment Manager and/or the Administrator in relation to the operations of the Target Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God; (vii) any period where, as a result of exchange restrictions or other restrictions affecting the transfer of funds, transactions on behalf of the Target Fund are rendered impracticable, or if purchases, sales, deposits and withdrawals of any asset of the Target Fund cannot be effected at the normal rates of exchange, as determined by the Investment Manager; or (viii) where the holders of the management shares have resolved to commence winding up or other insolvency proceedings.

- (iii) New fourth and fifth paragraphs are hereby inserted under (b) suspension of the issue and redemption of Class B Participating Shares of the Target Fund as follows:

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#### Fourth Paragraph

Each declaration of a suspension by the Directors shall be consistent with such official rules and regulations (if any) relating to the subject matter thereof as shall have been promulgated by any authority having jurisdiction over the Target Fund as shall be in effect at the time. To the extent not inconsistent with such official rules and regulations, the determination of the Directors shall be conclusive.

#### Fifth Paragraph

The Investment Manager will promptly notify Shareholders (such as the Fund) in writing of any suspension mentioned above and the subsequent lifting of the suspension. In the event of any such suspension being imposed, the Directors shall instruct the Administrator to cease accepting any subscription agreements or redemption requests and may, at their discretion, cancel any subscription agreements or redemption requests received prior to such suspension being imposed, and any investors or Shareholders (such as the Fund), as the case may be, may be required to re-submit their subscription agreements or redemption requests upon the lifting of the suspension. A Shareholder (such as the Fund) who has submitted a redemption request after a determination to effect a suspension may withdraw his redemption request during the period of the suspension. The Directors may nominate any other day as a Valuation Point of the Target Fund, or to issue or redeem Participating Shares in substitution for a Dealing Day of the Target Fund in respect of which determination of the net asset value has been suspended.

- (iv) The information in (c) compulsory redemption is hereby deleted in its entirety and replaced with the following:

#### **(c) Compulsory redemption**

The Directors may in their sole discretion redeem some or all of a Shareholder's (such as the Fund) Class A Participating Shares of the Target Fund with or without cause, at any time upon at least 5 days' prior written notice to such Shareholder (such as the Fund). Payment will be made in accordance with the procedure applicable to the Class A Participating Shares of the Target Fund that are redeemed at the request of the Shareholder (such as the Fund), whether or not such redemption has been requested by such Shareholder (such as the Fund). Such redemption shall be effective on the date specified in such notice to the Shareholder (such as the Fund).

The Directors may redeem a Shareholder's (such as the Fund) Class A Participating Shares of the Target Fund they, in their sole discretion, determine that the continued participation of such Shareholder in the Target Fund (such as the Fund) may result in the Target Fund incurring any legal, tax, regulatory or pecuniary disadvantage.

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Note: Under a compulsory redemption, the Directors may repurchase the Class A Participating Shares of the Target Fund held by the Fund at a value which is below the Fund's initial investments. This will adversely affect the value of the Fund.

**15. Amendment to section 4.12 - Fees Charged by the Target Fund in “Chapter 4 - Information on the Target Fund” on page 21 of the Information Memorandum**

The information on the management fee and performance fee are hereby deleted in their entirety and replaced with the following:

Management fee	1.50% per annum of the net asset value of the Class A Participating Shares of the Target Fund.  <i>Note: The management fee charged by the Target Fund will be paid out of the management fee charged by the Manager at the Fund level. Unit Holders will incur a management fee at the Fund's level only and there is no double charging of management fee.</i>
Performance fee	Not applicable to the Class A Participating Shares of the Target Fund.

**16. Amendment to section 4.13 - Dividend of the Target Fund in “Chapter 4 - Information on the Target Fund” on page 21 of the Information Memorandum**

The information on the dividend of the Target Fund is hereby deleted in its entirety and replaced with the following:

It is the present intention of the Directors not to declare or pay any dividend or distribution. Income earned will be reinvested and reflected in the value of the Class A Participating Shares of the Target Fund. However, this does not preclude the Directors from declaring a dividend at any time in the future if they consider it appropriate. If a dividend is declared, it will be paid in accordance with the Constitution and any applicable laws of the Cayman Islands.

**17. Amendment to section 5.2 “Specific Risks of the Fund” in “Chapter 5 - Risk Factors” on pages 23 - 25 of the Information Memorandum**

(i) The information on the currency risk is hereby deleted in its entirety and replaced with the following:

(3) Currency risk\*

As the Fund is a multi-class fund, investors should also be aware of the following currency risk:

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- (a) **Currency risk at the Fund’s portfolio level**  
Since the Fund is denominated in RM and the Fund invests in Class A Participating Shares of the Target Fund which is denominated in USD, investors should be aware that if the RM appreciates against the USD, this will have an adverse effect on the NAV of the Fund and vice versa. Investors should note that any gains or losses arising from the movement of the USD against the RM may therefore increase or decrease the capital gains of the investment. Nevertheless, investors should realise that currency risk is considered as one of the major risks to foreign currency denominated investments due to the volatile nature of the foreign exchange market. In order to manage currency risk, the Manager may employ currency hedging strategies\*\* in attempt to fully or partially hedge the foreign currency exposure into RM.
- (b) **Currency risk at the Class level**  
The impact of the exchange rate movement between the base currency of the Fund in RM and the currency denomination of the Class (other than in RM) may result in a depreciation of the investor’s holdings as expressed in the base currency of the Fund.

*Note:*

- \* *Please refer to item (9) of Section 5.3 Risks of the Target Fund for more information pertaining to the risk of foreign currency markets.*
- \*\* *“hedging strategies” will expose the Fund to hedging risk as set out in item (6) of Section 5.2 Specific Risks of the Fund.*

- (ii) The information on the risk relating to payment of redemption proceeds is hereby deleted in its entirety and replaced with the following:

(7) Risk relating to payment of redemption proceeds

This risk will arise if the Target Fund is suspended or the Target Fund receives redemption requests aggregating to more than 20% (or such other percentage as the Directors may determine) of the Class A Participating Shares of the Target Fund in issue or of all the Participating Shares in issue\*. Should any of the above events occur, the Manager may not be able to pay the redemption proceeds to the Unit Holders within the specified time period, i.e. 15 calendar days, from the Manager’s receipt of the redemption request before the cut-off time of 4.00 p.m. on a Business Day. However, the Manager will pay the redemption proceeds to the Unit Holders within 15 calendar days after the receipt of the redemption proceeds by the Manager from the Target Fund. The Target Fund will strive to pay the Manager within the shortest possible time frame. However, there is no specific time frame which has been set currently.

*Note:*

- \* *Please refer to Section 4.11(a) Redemption of Shares of the Target Fund for details relating to the limitations on redemptions imposed at the Target Fund level.*

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- (iii) The note on risk of suspension relating to Target Fund is hereby deleted in its entirety and replaced with the following:

*Note:*

\* Please refer to Section 4.11(b) Redemption of Shares of the Target Fund for details relating to the suspension of the issue and redemption of the Class A Participating Shares of the Target Fund.

**18. Amendment to section 5.3 - Risks of the Target Fund in “Chapter 5 - Risk Factors” on pages 26 - 35 of the Information Memorandum**

- (i) The information on “swaps, options and other hedging positions” of derivatives is hereby deleted in its entirety and replaced with the following:

*Swaps and Other Hedging Positions.* The Target Fund may use swaps, which are types of derivatives, and other hedging positions to increase total return. A swap is a contract under which two parties agree to make periodic payments to each other based on specified interest rates, an index or the value of some other instruments, applied to a stated, or “notional” amount. Swaps can be classified generally as interest rate swaps, currency swaps, commodity swaps or equity swaps, depending on the type of index or instrument used to calculate the payments. In addition to swaps, the Target Fund may also become a party to various other customised derivative instruments entitling the counterparty to certain payments on the gain or loss on the value of an underlying or referenced instrument. Certain swaps, options and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk.

Moreover, to the extent that options, swaps, swaptions and other derivative instruments are used by the Target Fund, it should be noted that they inherently involve much greater risk than does a non-margined purchase of the underlying security, or instrument in as much as only a very small portion of the value of the underlying security, commodity, or instrument is required to be paid to effect such investments.

- (ii) The information on “futures contracts” of derivatives is hereby deleted in its entirety and replaced with the following:

*Futures Contracts, Options and Foreign Exchange Transactions.* If the Target Fund purchases or sells a futures contract, the Target Fund may sustain a total loss of the initial margin funds\* and any additional funds that the Target Fund deposits with the holder of a capital markets services licence to establish or maintain the Target Fund's position. If the market moves against the Target Fund's position, the Target Fund may be called upon by the licence holder to deposit a substantial amount of additional margin funds\*\* on short notice in order to maintain its position. If the Target Fund does not provide the required funds within the specified time, its position may be liquidated at a loss, and the Target Fund will be liable for any resulting deficit in its account. Under certain

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market conditions, the Target Fund may find it difficult or impossible to liquidate a position. The high degree of leverage that is often obtainable in futures contracts can work against the Target Fund as well as for the Target Fund. The use of leverage can lead to large losses as well as gains. Foreign exchange trading can also result in large losses or gains. The placement of contingent orders\*\*\* such as a 'stop-loss' or 'stop limit' order, by the Target Fund or a holder of a capital markets services licence authorised by the Target Fund (such as the Investment Manager), will not necessarily limit the Target Fund's losses to the intended amounts, since market conditions may make it difficult or impossible to execute such orders. A "spread" position may not be less risky than a simple "long" or "short" position. The Target Fund is subject to substantial charges for management and advisory fees. It may be necessary for the Target Fund to make substantial trading profits to avoid depletion or exhaustion of its assets.

Note:

\* "initial margin funds" means the percentage of the purchase price of securities (that can be purchased on margin) that the investor (such as the Fund) must pay for with his or her own cash.

\*\* "additional margin funds" means a broker's demand on an investor (such as the Fund) using margin to deposit additional money so that the margin account is brought up to the minimum maintenance margin.

\*\*\* "contingent orders" are orders put in place to be applied during difficult market events, such as stop loss orders. These orders may not be fully executed in difficult market conditions.

- (iii) The information on potential loss of investment is hereby deleted in its entirety and replaced with the following:

(4) Potential loss of investment

No guarantee or representation is made that the Target's Fund's investment program will be successful. The value of the Class A Participating Shares of the Target Fund and the return derived from them can fluctuate. As is true of any investment, there is a risk that an investment in the Target Fund will be lost entirely or in part. The Target Fund is not a complete investment program and should represent only a portion of an investor's (such as the Fund) portfolio management strategy.

- (iv) The information on investments in publicly traded securities is hereby deleted in its entirety and replaced with the following:

(7) Investments in publicly traded securities

Some of the markets in which the Target Fund may invest are emerging markets, and consequently tend to be substantially smaller, less liquid, less regulated and more volatile than major securities markets, such as those in more developed economies. The limited liquidity of securities in some emerging

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countries could also affect the Target Fund's ability to acquire or dispose of securities at the price and at the time it wishes to do so.

- (v) The information on investments in fixed income securities issued by unlisted companies is hereby deleted in its entirety and replaced with the following:

(8) Investments in unlisted companies

Investments in unlisted companies represent a higher risk as compared to investments in listed companies. Unlisted companies generally do not have previous track records or business models, are subject to less regulation by authorities and may not have strong corporate governance procedures. There is also less transparency in their activities as well as a general lack of availability and access to more detailed financial information. There is also no assurance that the Investment Manager will be able to secure a liquidity event such as the initial public offering of the unlisted company's shares or a trade sale to third parties. In such event, the Target Fund may not be able to realise its initial investment in the unlisted company.

- (vi) The information on foreign currency markets is hereby deleted in its entirety and replaced with the following:

(9) Foreign currency markets

The Target Fund will have exposure to fluctuations in currency exchange rates where it holds currencies other than USD or invests directly or indirectly in securities denominated in currencies other than USD. A change in value of any such currency against the USD will cause a corresponding change in the value of the Target Fund's securities that are denominated in such currency. Those changes may also affect the Target Fund's income and profitability. Certain countries maintain their currencies at artificial levels\* relative to the USD. This type of system can lead to sudden and large adjustments in such currency, which can result in losses to investors (such as the Fund).

*Note:*

\* "artificial levels" means that the countries follow fixed exchange rates policy rather than market determined exchange rates.

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

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Note:

\* “markets” means Asian or emerging markets.

- (vii) The information on currency exchange exposure and currency hedging is hereby deleted in its entirety and replaced with the following:

(10) Currency exchange exposure and currency hedging

To the extent the Target Fund seeks to hedge its currency exposure, it may not always be practicable to do so. Moreover, hedging may not alleviate all currency risks. Furthermore, the Target Fund may incur costs in connection with conversions between various currencies. Currency exchange dealers realise a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer will normally offer to sell currency to the Target Fund at one rate, while offering a lesser rate of exchange should the Target Fund desire immediately to resell that currency to the dealer. The Target Fund conducts its currency exchange transactions either on a spot (i.e., cash) basis at the spot rate prevailing in the currency exchange market, or through entering into a number of different types of hedging transactions including, without limitation, forward, futures or commodity options contracts to purchase or sell currencies, and entering into foreign currency forwards.

To the extent the Target Fund enters into currency forward contracts (agreements to exchange one currency for another at a future date), these contracts involve a risk of loss if the Target Fund fails to predict accurately the direction of currency exchange rates. In addition, forward contracts are not guaranteed by an exchange or clearing house. Therefore, a default by the forward contract counterparty may result in a loss to the Target Fund for the value of unrealised profits on the contract or for the difference between the value of its commitments, if any, for purchase or sale at the current currency exchange rate and the value of those commitments at the forward contract exchange rate.

Techniques used to hedge currency exposure may reduce but will not eliminate the risk of loss due to unfavourable currency fluctuations and they tend to limit any potential gain that might result from favourable currency fluctuations. Some countries restrict conversion of their currency into other currencies, including the USD, and for some currencies, there is no significant foreign exchange market.

There can be no guarantee that instruments suitable for hedging currency or market shifts will be available at the time the Target Fund wishes to use them, or will be able to be liquidated when the Target Fund wishes to do so. In addition, the Target Fund may choose not to enter into hedging transactions with respect to some or all of its positions.

- (viii) The information on emerging markets is hereby deleted in its entirety and replaced with the following:

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(11) Emerging markets

The Target Fund will invest in assets in an emerging market. Investing in an emerging market involve additional risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include (i) increased risk of nationalisation or expropriation of assets or confiscatory taxation; (ii) greater social, economic and political uncertainty, including war; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity and smaller capitalisation of securities markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for USD; (viii) increased likelihood of governmental decisions to cease support of economic reform programmes or to impose centrally planned economies; (ix) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (x) less extensive regulation of the securities markets; (xi) longer settlement periods for securities transactions and less reliable clearance and custody arrangements; (xii) less protection through registration of assets; and (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and protection of Shareholders (such as the Fund).

- (ix) The information on event risks is hereby deleted in its entirety and replaced with the following:

(12) Event risks

Events such as increase in volatility of the price of commodities, moratorium and force majeure may cause disruptions to commerce, reduced economic activity, and continued volatility in markets throughout the world. Some of the assets in the Target Fund's portfolio may be adversely affected by declines in the securities markets and economic activity because of these factors. The Investment Manager cannot predict at this time the extent and timing of any decreased commercial and economic activity resulting from the above factors, or how any such decrease might affect the value of securities and other assets held by the Target Fund. The aforementioned factors could also result in incidents or circumstances that would disrupt the normal operations of the Investment Manager, the Administrator, the custodian or the broker-dealers, which could also have negative effects on the investment performance of the Target Fund.

- (x) The information on conflicts of interest is hereby deleted in its entirety and replaced with the following:

(21) Conflicts of interest

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The Directors, the Administrator, the custodian, the prime broker(s) (if appointed by the Target Fund) and the Investment Manager may from time to time act as directors, managers, administrators or custodians in relation to or otherwise be involved in other funds, investment schemes or companies established by parties other than the Investment Manager that have similar objectives to those of the Target Fund. Thus, each may be subject to conflicting demands in respect of allocating management time, services and other functions between the activities each has undertaken with respect to the Target Fund and the activities each has undertaken or will undertake with respect to other investors or other accounts. It is therefore possible that any of them may, in the course of their respective businesses, have potential conflicts of interest with the Target Fund or the Shareholder (such as the Fund). In such event should a conflict of interest arise, the Directors will endeavour to ensure that it is resolved fairly.

The Investment Manager and other affiliates, including those involved in the investment activities and business operations of the Target Fund, may have a conflict of interest when allocating and/or recommending investment opportunities between the Target Fund and other clients. However, when making investments where a conflict of interest may arise, the Investment Manager will endeavour to act in a fair and equitable manner as between the Target Fund and other clients.

- (xi) The information on liquidity and realisation of investment is hereby deleted in its entirety and replaced with the following:

(22) Liquidity and realisation of investment

An investment in the Target Fund is suitable only for certain sophisticated investors (such as the Fund) who have no need for immediate liquidity in their investments. There is no secondary market for the Class A Participating Shares of the Target Fund and an investment in the Target Fund is a relatively illiquid investment. As the redemption of the Class A Participating Shares of the Target Fund is subject to the restrictions set out in the section entitled "Redemptions" in the Placing Memorandum, an investor in the Target Fund (such as the Fund) may not be able to dispose of or realise his/her investment in the Target Fund at the time of his/her choosing.

No partial redemptions will be permitted if, immediately thereafter the value of a redeeming Shareholder's (such as the Fund) holding would be less than USD100,000 (or such other amount prescribed by the Directors from time to time either generally or in any particular case as the minimum value of the Class A Participating Shares of the Target Fund that may be held). The Class A Participating Shares of the Target Fund may not be redeemed when the calculation of the net asset value is suspended. Redemptions may be limited, if redemption requests are received for any Dealing Day aggregating more than 20% (or such other percentage as the Directors may determine) of the Class A

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Participating Shares of the Target Fund in issue or of all the Participating Shares in issue.

Further, the Directors do not presently intend to pay dividends or other distributions to Shareholders (such as the Fund) and the only avenue for the realisation of an investment in the Target Fund is through redemption of the Class A Participating Shares of the Target Fund or pursuant to liquidation of the Target Fund.

The Target Fund is not required to maintain sufficient cash holdings at all times to meet redemption requests from time to time. In the event that the Target Fund does not have sufficient cash to meet all redemption requests at a particular time, the Target Fund may have to liquidate assets at an inopportune time to fund redemptions and the Target Fund may not be able to realise the full value of such investments pursuant to such liquidation.

*Note:*

*Investors should note that if the Fund's redemption request is postponed or suspended by the Target Fund, there may be a delay in the payment of proceeds to the Unit Holders and the Manager may also suspend the purchase and/or redemption of Units of the Fund as long as the Target Fund is suspended. Please refer to section 8.2 "Redemption of Units" for more information.*

- (xii) The information on suspension of redemptions is hereby deleted in its entirety and replaced with the following:

(23) Suspension of redemptions\*

The redemption of the Class A Participating Shares of the Target Fund by Shareholders (such as the Fund) may be suspended by the Directors at any time in the event that certain circumstances, such as the restriction or suspension of dealings on any exchange, arise. For further details, please see the section entitled "Suspension of the Issue and Redemption of the Class A Participating Shares of the Target Fund " in Part II of the Placing Memorandum.

In such event, the Directors shall instruct the Administrator to cease accepting any redemption requests and may, at their discretion, cancel any redemption requests received prior to such suspension being imposed, and Shareholders (such as the Fund) may be required to re-submit their redemption requests upon the lifting of the suspension.

*Note:*

*\* Please refer to Section 4.11(b) Redemption of Shares of the Target Fund for details relating to the suspension of the issue and redemption of the Class A Participating Shares of the Target Fund.*

- (xiii) The information on compulsory redemption of the Class B Participating Shares of the Target Fund is hereby deleted in its entirety and replaced with the following:

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(24) Compulsory redemption of the Class A Participating Shares of the Target Fund\*

The Directors may in their sole discretion, redeem some or all of the Class A Participating Shares of the Target Fund held by a Shareholder (such as the Fund) with or without cause, at any time upon prior written notice. Payment will be made in accordance with the procedure applicable to the Class A Participating Shares of the Target Fund that are redeemed at the request of the Shareholder (such as the Fund).

Such redemptions may occur at net asset value(s) that are not optimal for an investor (such as the Fund), relative to the net asset value(s) at which an investor (such as the Fund) subscribes into the Target Fund.

*Note:*

*\* Please refer to Section 4.11(c) Redemption of Shares of the Target Fund for details relating to the compulsory redemption of the Class A Participating Shares of the Target Fund.*

- (xiv) The information on cross class liabilities is hereby deleted in its entirety and replaced with the following:

(28) Cross class liabilities

Although the Constitution requires the establishment of separate investment accounts for the Class A Participating Shares of the Target Fund and the attribution of assets and liabilities to the relevant investment account, if the liabilities of the Class A Participating Shares of the Target Fund exceed its assets, creditors of the Target Fund may have recourse to the assets attributable to the other classes of Participating Shares. As at the date of the Placing Memorandum, the Directors are not aware of any such existing or contingent liability.

- (xv) The following new risks are hereby inserted immediately after Consequences for Investors as a result of AEOI:

(30) Volatile markets

The prices of financial instruments in which the Investment Manager may invest can be volatile. Price movements of forward and other derivative contracts in which the Target Fund's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The Target Fund is subject to the risk of failure of any of the exchanges on which its positions trade or of its clearing houses.

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(31) Market risk

Financial markets are increasingly more volatile. Wide swings in market prices that have been a feature of smaller and less developed markets are also becoming common in major financial markets. In many instances, market prices defy rational analysis or expectation for prolonged periods and are influenced by movements of large funds as a result of short-term factors, counter-speculative measures or other reasons. Market volatility of large enough magnitude can sometimes weaken what is deemed a sound fundamental basis for investing in a particular market. Investment expectations may therefore fail to be realised in such instances.

(32) Default of broker or custodian

Certain brokerages and banks will have custody of the Target Fund's assets. Bankruptcy or fraud at any of these institutions may impair the operational capabilities or the capital position of the Target Fund. The Target Fund's custodian or prime broker(s) (if appointed by the Target Fund) may not be required to segregate the Target Fund's assets deposited with it, in which case the Target Fund's assets may be subject to the claims of the custodian's or the prime broker's (if appointed by the Target Fund) general creditors if the custodian or prime broker(s) (if appointed by the Target Fund) (as the case may be) becomes insolvent.

(33) Amortisation of establishment expenses

The financial statements of the Target Fund will be prepared in accordance with IFRS. Notwithstanding this, the Target Fund is amortising the establishment expenses over its first 60 months. The policy of amortisation is not in accordance with IFRS and may result in difference between the net asset value derived by the Target Fund and the reported net asset value in the financial statements of the Target Fund.

(34) Shareholders will not participate in management

A Shareholder (such as the Fund) has no right to participate in the management of the Target Fund or in the conduct of its business. There exists broad discretion to expand, revise, or contract the Target Fund's business without the consent of the Shareholders (such as the Fund). Any decision to engage in a new activity could result in the exposure of the Target Fund's capital to additional risks which may be substantial.

(35) Past results not indicative

Past results are not necessarily indicative of future performance. No assurance can be made that profits will be achieved or that substantial losses will not be incurred.

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(36) Regulatory change

The regulation of securities markets in Asia and elsewhere and of investment funds such as the Target Fund has undergone substantial change in recent years, and such change is expected to continue for the foreseeable future. The effect of regulatory change on the Target Fund, while impossible to predict, could be substantial and adverse.

The European Council and the European Parliament have approved the Alternative Investment Fund Managers Directive 2011/61/EU (the "**AIFM Directive**") published by the European Commission on alternative investment fund managers ("**AIFMs**"). The AIFM Directive has been supplemented with further rules and regulations and is required to be transposed into the laws of the European Union (the "**EU**") Member States. The overarching purpose of the AIFM Directive is to (a) regulate AIFMs based in the EU and (b) prohibit AIFMs from either (i) managing any alternative investment fund ("**AIF**") in the EU or (ii) marketing Participating Shares in AIFs to investors in the EU unless authorised and, in the case of an AIF domiciled outside of the EU (such as the Target Fund), unless the domicile of the AIF meets certain conditions. To obtain authorisation and to manage an AIF in the EU, an AIFM (such as the Investment Manager) would need to comply with various obligations in relation to the AIF which may create significant additional compliance costs that may be passed to investors in the relevant AIF.

The Investment Manager, marketing a non-EU AIF (the Target Fund) to persons within the EU, will be required to, inter alia: (i) confirm that Singapore regulatory authorities and the Cayman Islands Monetary Authority have each entered into a cooperation agreement with the regulator of each EU country into which the Target Fund is to be marketed; (ii) confirm that the Cayman Islands is not listed as a non-cooperative country for the purposes of the Financial Action Task Force; and (iii) provide certain additional regulatory and/or financial information to investors in the EU and regulators of such EU Member States.

The Target Fund, as a non-EU AIF managed by a non-EU AIFM (the Investment Manager), may only be marketed to investors in the EU in accordance with applicable national private placement rules. Not all EU Member States have completed the process of transposing the AIFM Directive into national law, and some member States have imposed obligations over and above those required by the AIFM Directive. In addition, each EU Member State retains the discretion over its national private placement rules and retains the authority to enact new rules that may require an AIF to become registered with a local regulator before securities can be offered in that EU Member State and/or restrict or limit the ability for interests in any non-EU AIF (such as the Target Fund) from being marketed in such EU Member State. "Reverse solicitation", where an EU investor approaches a non-EU AIFM regarding Participating Shares in a non-EU AIF, is outside the scope of the AIFM Directive.

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Hence, it is not possible to determine at present the full impact that the AIFM Directive will have on the Target Fund or the Investment Manager. The Target Fund or the Investment Manager may be required to implement steps to comply with Member State national rules to implement the AIFM Directive where the Target Fund is to be marketed. Compliance measures may be significant or may require amendments to the structure of the Target Fund (e.g. redomiciling to another jurisdiction). Regulatory changes impairing the ability of the Investment Manager to manage investments of the Target Fund, or limiting the Target Fund's ability to market Participating Shares in the future due to the implementation of the AIFM Directive, may have a material adverse effect on the Target Fund's ability to carry out its investment approach and in turn to achieve its investment objective.

#### (37) Suitability Standards

Because of the risks involved, investment in the Target Fund is only suitable for sophisticated investors who are able to bear the loss of a substantial portion or even all of the money they invest in the Target Fund, who understand the degree of risk involved, believe that the investment is suitable based upon their investment objectives and financial needs and have no need for liquidity of investment. Investors are therefore advised to seek independent professional advice on the implications of investing in the Target Fund. In addition, as the Target Fund's investment programme develops and changes over time, an investment in the Target Fund may be subject to additional and different risk factors.

#### (38) No Independent Representation

Shook Lin & Bok LLP (as to Singapore law) represents the Investment Manager and Walkers (Singapore) Limited Liability Partnership (as to Cayman Islands laws) represents the Target Fund. Shook Lin & Bok LLP (as to Singapore law) and Walkers (Singapore) Limited Liability Partnership (as to Cayman Islands laws) do not represent investors in the Target Fund (such as the Fund), and no independent counsel has been retained to represent investors in the Target Fund (such as the Fund).

#### (39) Side Letters

The Target Fund may from time to time enter into letter agreements or other similar agreements (collectively, "Side Letters") with one or more Shareholders which provide such Shareholders with additional and/or different rights (including, without limitation, with respect to access to information, management fees and incentive fees and minimum investment amounts, and liquidity terms) than such Shareholders have pursuant to the Placing Memorandum. As a result of such Side Letters, certain Shareholders may receive additional benefits (including, but not limited to, reduced fee obligations, the ability to redeem Participating Shares on shorter notice, expanded informational rights, minimum investment amounts, transfer rights, disclosure

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of information to other parties, information, transparency and/or notice rights) which other Shareholders will not receive and, in such circumstances, a separate Class of Participating Shares may need to be issued to such Shareholder. For example, a Side Letter may permit a Shareholder to redeem Participating Shares on less notice and/or at different times than other Shareholders. As a result, should the Target Fund experience a decline in performance over a period of time, a Shareholder who is party to a Side Letter that permits less notice and/or different redemption times may be able to redeem Participating Shares prior to other Shareholders. The Directors will not be required to offer such additional and/or different rights and/or terms to any or all of the other Shareholders. The Directors may enter into such Side Letters with any party as the Directors may determine in its sole and absolute discretion at any time. The other Shareholders will have no recourse against the Target Fund, the Investment Manager and/or any of their affiliates in the event that certain Shareholders receive additional and/or different rights and/or terms as a result of such Side Letters.

#### (40) Currency Exchange Exposure and Currency Hedging

To the extent the Target Fund seeks to hedge its currency exposure, it may not always be practicable to do so. Moreover, hedging may not alleviate all currency risks. Furthermore, the Target Fund may incur costs in connection with conversions between various currencies. Currency exchange dealers realise a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer will normally offer to sell currency to the Target Fund at one rate, while offering a lesser rate of exchange should the Target Fund desire immediately to resell that currency to the dealer. The Target Fund conducts its currency exchange transactions either on a spot (i.e., cash) basis at the spot rate prevailing in the currency exchange market, or through entering into a number of different types of hedging transactions including, without limitation, forward, futures or commodity options contracts to purchase or sell currencies, and entering into foreign currency borrowings.

To the extent the Target Fund enters into currency forward contracts (agreements to exchange one currency for another at a future date), these contracts involve a risk of loss if the Target Fund fails to predict accurately the direction of currency exchange rates. In addition, forward contracts are not guaranteed by an exchange or clearing house. Therefore, a default by the forward contract counterparty may result in a loss to the Target Fund for the value of unrealised profits on the contract or for the difference between the value of its commitments, if any, for purchase or sale at the current currency exchange rate and the value of those commitments at the forward contract exchange rate.

Techniques used to hedge currency exposure may reduce but will not eliminate the risk of loss due to unfavourable currency fluctuations and they tend to limit any potential gain that might result from favourable currency fluctuations. Some countries restrict conversion of their currency into other currencies,

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including the USD, and for some currencies, there is no significant foreign exchange market.

There can be no guarantee that instruments suitable for hedging currency or market shifts will be available at the time the Target Fund wishes to use them, or will be able to be liquidated when the Target Fund wishes to do so. In addition, the Target Fund may choose not to enter into hedging transactions with respect to some or all of its positions.

**19. Amendment to section 5.4 - Risk Management Strategies and Techniques in “Chapter 5 - Risk Factors” on page 36 of the Information Memorandum**

The information on risk management strategies and techniques is hereby deleted in its entirety and replaced with the following:

Risk management is an integral part of the Manager’s investment management process. In order to ensure that the Fund is managed in accordance with the Deed and the Guidelines, proper procedures and parameters are in place to manage the risks that are applicable to the Fund. Regular monitoring, reviews and reporting are also undertaken by the Manager to ensure that the Fund’s investment objective is met.

In managing the Fund’s liquidity, we will:

- (a) allocate 2% - 20% of the Fund’s NAV in liquid assets to manage redemption requests from Unit Holders; and/or
- (b) where available, borrow cash or obtain cash financing on a temporary basis for the purpose of meeting redemption requests for Units and for short term bridging requirements.

However, if we have exhausted the above avenues and if: (a) the calculation of the net asset of the Target Fund; and/or (b) the dealings of shares in the Target Fund is suspended in the circumstances set out in Section 4.11(b) under the heading “Suspension of the Issue and Redemption of the Class A Participating Shares of the Target Fund” above, we will then resort to suspend the redemption of Units to manage the liquidity of the Fund. In the event if we suspend the redemption of Units following the suspension of dealings of the Target Fund, any redemption request received by us during the suspension period will only be accepted and processed on the next Business Day after the cessation of suspension of the Fund.

**20. Amendment to section 8.1 - Making an Investment in “Chapter 8 - Transaction Details” on page 44 of the Information Memorandum**

- (i) The first paragraph is hereby deleted in its entirety and replaced with the following:

First Paragraph

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

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Class of Units	Minimum Initial Investment <sup>^</sup>	Minimum Additional Investment <sup>^</sup>
RM Class	RM20,000.00	RM5,000.00
USD Class	USD5,000.00	USD1,000.00

<sup>^</sup>or such other lower amount as may be decided by us from time to time.

*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.*

- (ii) A new note is hereby inserted immediately after the second paragraph as follows:

*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.*

**21. Amendment to section 8.2 - Redemption of Units in “Chapter 8 - Transaction Details” on pages 44 - 45 of the Information Memorandum**

- (i) A new note is hereby inserted immediately after the first paragraph as follows:

*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.*

- (ii) The third paragraph is hereby deleted in its entirety and replaced with the following:

**Third Paragraph**

For partial redemption, the minimum balance of Units remaining in the respective Classes must always be as follows:

Class of Units	Minimum Balance of Units <sup>^</sup>
RM Class	20,000 Units
USD Class	5,000 Units

<sup>^</sup>or such other lower number of Units as may be decided by us from time to time.

- (iii) The fifth paragraph is hereby deleted in its entirety and replaced with the following:

**Fifth Paragraph**

Redemption proceeds will be paid within 15 calendar days from the Manager’s receipt of a redemption request before the cut-off time of 4.00 p.m. on a Business Day. In the event the payment day is not a Business Day, the

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redemption proceeds will be paid to Unit Holders on the following Business Day. 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. Transaction costs such as charges for electronic payments, if any, will be borne by the Unit Holders and set-off against the redemption proceeds.

- (iv) The information in item (ii) of the seventh paragraph is hereby deleted in its entirety and replaced with the following:
  - (ii) the Target Fund receives redemption requests aggregating to more than 20% (or such other percentage as the Directors may determine) of the Class A Participating Shares of the Target Fund in issue or of all the Participating Shares in issue.

**22. Amendment to section 8.3 - Cut-Off Time for Purchase and Redemption of Units in “Chapter 8 - Transaction Details” on page 45 of the Information Memorandum**

A new note is hereby inserted immediately after the third paragraph as follows:

*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.*

**23. Amendment to section 8.5 - Switching between Funds in “Chapter 8 - Transaction Details” on page 46 of the Information Memorandum**

- (i) The first, second and third paragraphs are hereby deleted in their entirety and replaced with the following:

You 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 net asset value 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 availability and any terms and conditions imposed by the intended fund to be switch to, if any.

There is no minimum Units for switching or restriction on the frequency of switching. However, you must meet the minimum Unit holdings (after the switch) of the Class intended to be switch from unless you are redeeming all your investments from the Class.

Switching is treated as a withdrawal from one (1) fund and an investment into another fund. If you switch from a fund with a lower sales charge to a fund with a higher sales charge, you need to pay the difference in sales charge between the sales charge of these two (2) funds in addition to the switching fee. If you switch from a fund with higher sales charge to a fund with a lower sales charge, you do not need to pay the difference in sales charge between these funds.

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- (ii) A new paragraph and a new note are hereby inserted immediately after the end of the last paragraph as follows:

We reserve the right to vary the terms and conditions for switching from time to time, which shall be communicated to you in writing.

*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.*

**24. Amendment to section 8.7 - Notice of Cooling-off Period in “Chapter 8 - Transaction Details” on page 47 of the Information Memorandum**

The information on the notice of cooling-off period is hereby deleted in its entirety and replaced with the following:

**8.7 Cooling-off Right**

Cooling-off right is not applicable for this Fund.

**25. Amendment to section 9.3 - Board of Directors of the Manager in “Chapter 9 - The Manager” on page 49 of the Information Memorandum**

The information on the board of directors of the Manager is hereby deleted in its entirety.

**26. Amendment to section 9.4 - Designated Person for Fund Management Function in “Chapter 9 - The Manager” on pages 49 - 50 of the Information Memorandum**

The information on the designated person for fund management function is hereby deleted in its entirety and replaced with the following:

The designated fund manager of the Fund is Syhiful Zamri Bin Abdul Azid.

Syhiful is the Chief Investment Officer of the Manager and his profile is available on our website at <https://www.maybank-am.com.my/key-people>.

**27. Amendment to section 10.1 - Background of the Trustee in “Chapter 10 - The Trustee” on page 51 of the Information Memorandum**

The first paragraph is hereby deleted in its entirety and replaced with the following:

SCBMB Trustee Berhad (“STB”), a company incorporated in Malaysia under the Companies Act 1965 (now known as Companies Act 2016) on 13 June 2012 and registered as a trust company under the Trust Companies Act 1949. Its business address is at Level 23, Equatorial Plaza, Jalan Sultan Ismail, 50250 Kuala Lumpur.

**Investors are advised to read this Third Supplementary Information Memorandum dated 20 September 2022 together with the Information Memorandum dated 18 June 2018, the First Supplementary Information Memorandum dated 14 January 2019 and the Second Supplementary Information Memorandum dated 8 June 2020.**

**28. Insertion of a new “Chapter 13 - Conflict of Interests and Related Party Transactions”**

A new chapter 13 - conflict of interests and related party transactions is inserted immediately after chapter 12 - communication with unit holders as follows:

As at 1 September 2022, 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 1 September 2022:

<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 substantial shareholder of MAMG.</p>	<p>Distributor:</p> <p>Maybank has been appointed as one of the Manager’s institutional unit trust scheme advisers.</p> <p>Delegate:</p> <p>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>MAMG.</p> <p>The Manager is wholly-owned by MAMG.</p>	<p>Delegate:</p> <p>The Manager has delegated its back office function (i.e. finance performance attribution, administration, legal, compliance, corporate secretarial services, strategy and project management office and risk management) to MAMG.</p>
	<p>Maybank Investment Bank Berhad.</p>	<p>Delegate:</p> <p>The Manager has delegated its back office function (i.e.</p>

Investors are advised to read this Third Supplementary Information Memorandum dated 20 September 2022 together with the Information Memorandum dated 18 June 2018, the First Supplementary Information Memorandum dated 14 January 2019 and the Second Supplementary Information Memorandum dated 8 June 2020.

	Maybank Investment Bank Berhad is wholly-owned by Maybank.	operations) to Maybank Investment Bank Berhad.
	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.
	Maybank Asset Management Singapore Pte. Ltd. (“MAMS”)  MAMS is wholly-owned by MAMG.	Investment Manager:  MAMS is the investment manager of the Target Fund.

*[the remainder of the page is intentionally left blank]*

**Investors are advised to read this Third Supplementary Information Memorandum dated 20 September 2022 together with the Information Memorandum dated 18 June 2018, the First Supplementary Information Memorandum dated 14 January 2019 and the Second Supplementary Information Memorandum dated 8 June 2020.**



## 29. Insertion of a new “Chapter 14 - Tax Adviser’s Letter”

A new chapter 14 - tax adviser’s letter is inserted immediately after chapter 13 - conflict of interests and related party transactions as follows:



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

Tel: +603 7495 8000  
Fax: +603 2095 5332 (General line)  
+603 2095 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 third supplementary information memorandum)

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

5 September 2022

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 third supplementary information memorandum (IM) in connection with the offer of units in the unit trust known as Maybank Bluewaterz Total Return 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.

**Investors are advised to read this Third Supplementary Information Memorandum dated 20 September 2022 together with the Information Memorandum dated 18 June 2018, the First Supplementary Information Memorandum dated 14 January 2019 and the Second Supplementary Information Memorandum dated 8 June 2020.**

“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

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;

<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 Third Supplementary Information Memorandum dated 20 September 2022 together with the Information Memorandum dated 18 June 2018, the First Supplementary Information Memorandum dated 14 January 2019 and the Second Supplementary Information Memorandum dated 8 June 2020.**



The Board of Directors  
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- (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 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.

**Investors are advised to read this Third Supplementary Information Memorandum dated 20 September 2022 together with the Information Memorandum dated 18 June 2018, the First Supplementary Information Memorandum dated 14 January 2019 and the Second Supplementary Information Memorandum dated 8 June 2020.**



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### 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. 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>4</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. The exemption available to a qualifying person is subject to the following conditions:

- The dividend income has been subjected to tax “of a similar character to income tax” under the laws of the foreign jurisdiction where the income arose; and
- The highest rate of tax “of a similar character to income tax” charged under the laws of the foreign jurisdiction where the income arose was not less than 15%.

The qualifying person is also required to comply with the conditions imposed by the Ministry of Finance, which will be specified in guidelines to be issued by the Inland Revenue Board. Any deduction in relation to such exempted FSI shall be disregarded for the purpose of ascertaining the chargeable income of the qualifying person.

As the definition of “qualifying person” does not include unit trust funds, it would mean that such taxpayers would technically not qualify for the exemption, unless there are further updates thereto.

---

<sup>4</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.

**Investors are advised to read this Third Supplementary Information Memorandum dated 20 September 2022 together with the Information Memorandum dated 18 June 2018, the First Supplementary Information Memorandum dated 14 January 2019 and the Second Supplementary Information Memorandum dated 8 June 2020.**



The Board of Directors  
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#### **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:

**Investors are advised to read this Third Supplementary Information Memorandum dated 20 September 2022 together with the Information Memorandum dated 18 June 2018, the First Supplementary Information Memorandum dated 14 January 2019 and the Second Supplementary Information Memorandum dated 8 June 2020.**



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#### 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.

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 ITA. 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.

#### 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:

**Investors are advised to read this Third Supplementary Information Memorandum dated 20 September 2022 together with the Information Memorandum dated 18 June 2018, the First Supplementary Information Memorandum dated 14 January 2019 and the Second Supplementary Information Memorandum dated 8 June 2020.**



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>5</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>6 7</sup></li> <li>(ii) Companies other than (i) above</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 RM600,000 of chargeable income @ 17%</li> <li>• Chargeable income in excess of RM600,000 @ 24%</li> <li>• 24%</li> </ul>

<sup>5</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>6</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>7</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.

**Investors are advised to read this Third Supplementary Information Memorandum dated 20 September 2022 together with the Information Memorandum dated 18 June 2018, the First Supplementary Information Memorandum dated 14 January 2019 and the Second Supplementary Information Memorandum dated 8 June 2020.**



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Unit holders	Malaysian income tax rates
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 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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**Investors are advised to read this Third Supplementary Information Memorandum dated 20 September 2022 together with the Information Memorandum dated 18 June 2018, the First Supplementary Information Memorandum dated 14 January 2019 and the Second Supplementary Information Memorandum dated 8 June 2020.**





The Board of Directors  
Maybank Asset Management Sdn Bhd  
5 September 2022

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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 third supplementary IM and has not withdrawn such consent before the date of issue of this third supplementary IM.

**Investors are advised to read this Third Supplementary Information Memorandum dated 20 September 2022 together with the Information Memorandum dated 18 June 2018, the First Supplementary Information Memorandum dated 14 January 2019 and the Second Supplementary Information Memorandum dated 8 June 2020.**

## SECOND SUPPLEMENTARY INFORMATION MEMORANDUM

This Second Supplementary Information Memorandum dated 8 June 2020 must be read together with the Information Memorandum dated 18 June 2018 and the First Supplementary Information Memorandum dated 14 January 2019 for:-

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FUND	DATE OF CONSTITUTION
Maybank Bluewaterz Total Return Fund	9 April 2015

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Manager	:	Maybank Asset Management Sdn Bhd (Registration No. 199701006283)
Trustee	:	SCBMB Trustee Berhad (Registration No. 201201021301)

INVESTORS ARE ADVISED TO READ THIS SECOND SUPPLEMENTARY INFORMATION MEMORANDUM DATED 8 JUNE 2020 TOGETHER WITH THE INFORMATION MEMORANDUM DATED 18 JUNE 2018 AND THE FIRST SUPPLEMENTARY INFORMATION MEMORANDUM DATED 14 JANUARY 2019 AND OBTAIN PROFESSIONAL ADVICE BEFORE SUBSCRIBING TO THE FUND.

## **Responsibility Statements**

This Second 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 the Second Supplementary Information Memorandum has been deposited 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 the Second Supplementary 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 content of the Second Supplementary 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 the Second 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 the Second 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 Second Supplementary Information Memorandum dated 8 June 2020 together with the Information Memorandum dated 18 June 2018 and the First Supplementary Information Memorandum dated 14 January 2019.**

1. **Amendment to the definition of “Bursa Malaysia” in “Chapter 1 - Definitions” on page 1 of the Information Memorandum**

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

Bursa Malaysia means the stock exchange managed and operated by Bursa Malaysia Securities Berhad (Registration No. 200301033577).

2. **Amendment to the definition of “Manager/ Maybank AM” in “Chapter 1 - Definitions” on page 3 of the Information Memorandum**

The definition of “Manager/ Maybank AM” is hereby deleted in its entirety and replaced with the following:

Manager/ Maybank AM refers to Maybank Asset Management Sdn Bhd (Registration No. 199701006283).

3. **Amendment to the definition of “Trustee” in “Chapter 1 - Definitions” on page 5 of the Information Memorandum**

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

Trustee refers to SCBMB Trustee Berhad (Registration No. 201201021301).

4. **Amendment to the registration number of the Manager in “Chapter 2 - Corporate Directory” on page 6 of the Information Memorandum**

The registration number of the Manager is hereby deleted in its entirety and replaced with the following:

Registration No. 199701006283

5. **Amendment to the registration number of the Manager’s Delegate in “Chapter 2 - Corporate Directory” on page 6 of the Information Memorandum**

The registration number of the Manager’s Delegate is hereby deleted in its entirety and replaced with the following:

Registration No. 196001000142

6. **Amendment to the corporate information of the Trustee in “Chapter 2 - Corporate Directory” on page 6 of the Information Memorandum**

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

Investors are advised to read this Second Supplementary Information Memorandum dated 8 June 2020 together with the Information Memorandum dated 18 June 2018 and the First Supplementary Information Memorandum dated 14 January 2019.

<b>TRUSTEE</b>	SCBMB Trustee Berhad (Registration No. 201201021301)
<b>REGISTERED OFFICE</b>	Level 26, Equatorial Plaza Jalan Sultan Ismail 50250 Kuala Lumpur Tel No: 03 - 2117 7777
<b>BUSINESS OFFICE</b>	Level 23, Equatorial Plaza Jalan Sultan Ismail 50250 Kuala Lumpur Tel No: 03 - 7682 9724

7. **Amendment to the registration number of the Trustee’s Delegate in “Chapter 2 - Corporate Directory” on page 6 of the Information Memorandum**

The registration number of the Trustee’s Delegate is hereby deleted in its entirety and replaced with the following:

Registration No. 198401003274

8. **Amendment to section 5.2 - Specific Risks of the Fund in “Chapter 5 - Risk Factors” on pages 24 to 25 of the Information Memorandum**

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

(7) **Risk relating to payment of redemption proceeds**

This risk will arise if the Target Fund is suspended or the Target Fund receives redemption requests aggregating to more than 20% (or such other percentage as the Directors may determine) of the Class B Participating Shares of the Target Fund in issue or of all the Participating Shares in issue\*. Should any of the above events occur, the Manager may not be able to pay the redemption proceeds to the Unit Holders within the specified time period, i.e. 15 calendar days, from the Manager’s receipt of the redemption request before the cut-off time of 4.00 p.m. on a Business Day. However, the Manager will pay the redemption proceeds to the Unit Holders within 15 calendar days after the receipt of the redemption proceeds by the Manager from the Target Fund. The Target Fund will strive to pay the Manager within the shortest possible time frame. However, there is no specific time frame which has been set currently.

*Note:*

*\* Please refer to Section 4.11(a) Redemption of Shares of the Target Fund for details relating to the limitations on redemptions imposed at the Target Fund level.*

9. **Amendment to section 7.2 - Computation of NAV in “Chapter 7 - Transaction Information” on pages 40 to 41 of the Information Memorandum**

The third paragraph is hereby deleted in its entirety and replaced with the following:

Investors are advised to read this Second Supplementary Information Memorandum dated 8 June 2020 together with the Information Memorandum dated 18 June 2018 and the First Supplementary Information Memorandum dated 14 January 2019.

An illustration on how NAV per Unit is calculated (on a Business Day) is as follows:

	Fund (RM)	RM Class (RM)	USD Class (RM)
Value of the Fund/Class	101,500,000.00	60,900,000.00	40,600,000.00
<b>Multi-class ratio<sup>^</sup></b>	<b>100%</b>	<b>60%</b>	<b>40%</b>
Add: Other assets (including cash) & income	200,000.00	120,000.00	80,000.00
Less: Liabilities	100,000.00	60,000.00	40,000.00
NAV before deducting management fee and trustee fee for the day	101,600,000.00	60,960,000.00	40,640,000.00
Less: Management fee for the day		(RM60,960,000.00x 1.80% / 365 days)	(RM40,640,000.00x 1.50% / 365 days)
	4,676.39	3,006.25	1,670.14
Less: Trustee fee for the day		(RM60,960,000.00x 0.018% / 365 days)	(RM40,640,000.00x 0.018% / 365 days)
	50.10	30.06	20.04
<b>Total NAV</b>	<b>101,595,273.51</b>	<b>60,956,963.69</b>	<b>40,638,309.82</b>

<sup>^</sup>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.

10. **Amendment to section 7.3 - Pricing of Units in “Chapter 7 - Transaction Information” on pages 41 to 42 of the Information Memorandum**

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

**Selling Price**

Based on the single pricing regime, the Selling Price of a Unit of a Class of the Fund is the NAV per Unit of that particular Class of the Fund at the next valuation point after an application of Unit is received by the Manager. Any sales charge payable by

Investors are advised to read this Second Supplementary Information Memorandum dated 8 June 2020 together with the Information Memorandum dated 18 June 2018 and the First Supplementary Information Memorandum dated 14 January 2019.

the Unit Holder would be calculated as a percentage of the Selling Price per Unit of the Class.

*Illustration:*

If a Unit Holder makes an investment of USD1,000.00 at the Selling Price per Unit of USD1.0229 (which is the USD Class's NAV of a Unit at the next valuation point), and if the sales charge is 3.00% of the NAV per Unit, the total amount payable by the Unit Holder is as follows:

$$\begin{aligned}\text{Sales charge incurred} &= \frac{\text{Investment amount}}{1 + \text{sales charge (\%)}} \times \text{sales charge (\%)} \\ &= \frac{\text{USD1,000.00}}{1 + 3.00\%} \times 3.00\% \\ &= \text{USD29.13}\end{aligned}$$

$$\begin{aligned}\text{Net investment amount} &= \text{Investment amount} - \text{sales charge} \\ &= \text{USD1,000.00} - \text{USD29.13} \\ &= \text{USD970.87}\end{aligned}$$

$$\begin{aligned}\text{Units credited to investor} &= \text{Net investment amount} / \text{NAV per Unit} \\ &= \text{USD970.87} / \text{USD1.0229} \\ &= 949.1348 \text{ Units} \\ &= 949.13 \text{ Units}^*\end{aligned}$$

*\*Units computed are rounded to the nearest 2 decimal places.*

**11. Amendment to section 7.3 - Pricing of Units in "Chapter 7 - Transaction Information" on pages 42 to 43 of the Information Memorandum**

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

**Redemption Price**

The Redemption Price of a Unit of a Class of the Fund is the NAV per Unit of that particular Class of the Fund at the next valuation point after the redemption request is received by the Manager.

*Illustration:*

If a Unit Holder wishes to redeem 1,000 Units from USD Class on a Business Day and if no redemption charge is imposed, the total amount to be paid to the Unit Holder will be as follows:

In the event that the NAV per Unit for USD Class at the next valuation point = USD1.0229

Redemption charge payable by the Unit Holder = 0% x USD1.0229 x 1,000 Units = USD0.00

**Investors are advised to read this Second Supplementary Information Memorandum dated 8 June 2020 together with the Information Memorandum dated 18 June 2018 and the First Supplementary Information Memorandum dated 14 January 2019.**

The total amount to be paid to the Unit Holder will be:  
= the number of Units to be redeemed multiplied with the NAV per Unit less redemption charge  
= [1,000 Units x USD1.0229] - RM0.00  
= **USD1,022.90**

Therefore, the Unit Holder will receive **USD1,022.90** as redemption proceeds.

12. **Amendment to section 8.1 - Making an Investment in “Chapter 8 - Transaction Details” on page 44 of the Information Memorandum**

The second paragraph is hereby deleted in its entirety and replaced with the following:

For any purchase application received via fax notification by the Manager as well as cleared funds received **on or before the cut off time of 4.00 p.m. on a Business Day**, the Units would be created based on the NAV per Unit of the respective Classes as at the next valuation point after the request for purchase of Units is received and accepted by the Manager. Any application received or deemed to have been received after this cut-off time would be considered as being transacted on the next Business Day.

13. **Amendment to section 8.2 - Redemption of Units in “Chapter 8 - Transaction Details” on pages 44 to 45 of the Information Memorandum**

The first and fifth paragraphs are hereby deleted in its entirety and replaced with the following:

First Paragraph

For any redemption application received or deemed to have been received via fax notification by the Manager **on or before 4.00 p.m. on a Business Day**, the Units would be cancelled based on the NAV per Unit of the respective Classes as at the next valuation point after the request for redemption of Units is received and accepted by the Manager. Any redemption application received or deemed to have been received after this cut-off time would be considered as being transacted on the next Business Day.

Fifth Paragraph

Redemption proceeds will be paid within 15 calendar days from the Manager’s receipt of a redemption request before the cut-off time of 4.00 p.m. on a Business Day. In the event the payment day is not a Business Day, the redemption proceeds will be paid to Unit Holders on the following Business Day.

14. **Amendment to section 8.3 - Cut-Off Time for Purchase and Redemption of Units in “Chapter 8 - Transaction Details” on page 45 of the Information Memorandum**

The first paragraph is hereby deleted in its entirety and replaced with the following:

The cut-off time for purchase and redemption of Units shall be at **4.00 p.m.** on a Business Day.

Investors are advised to read this Second Supplementary Information Memorandum dated 8 June 2020 together with the Information Memorandum dated 18 June 2018 and the First Supplementary Information Memorandum dated 14 January 2019.



15. **Amendment to section 8.5 - Switching between Funds in “Chapter 8 - Transaction Details” on page 46 of the Information Memorandum**

The sixth paragraph is hereby deleted in its entirety and replaced with the following:

Any switching request made **on or before the cut off time of 4.00 p.m. on a Business Day** will be made at the NAV per Unit of the Class to be switched from and the prevailing net asset value per unit of the intended fund to be switched to when the switching request is received and accepted by the Manager, subject to availability and any terms and conditions imposed by the intended fund, if any.

16. **Amendment to section 9.3 - Board of Directors of the Manager in “Chapter 9 - The Manager” on page 49 of the Information Memorandum**

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

**Board of Directors**

Dr Hasnita binti Dato' Hashim (chairman/independent non-executive director)  
Goh Ching Yin (independent non-executive director)  
Loh Lee Soon (independent non-executive director)  
Badrul Hisyam bin Abu Bakar (non-independent non-executive director)  
Ahmad Najib bin Nazlan (non-independent executive director/ chief executive)

17. **Deletion of section 10.2 - Board of Directors in “Chapter 10 - The Trustee” on page 51 of the Information Memorandum**

The information on the board of directors of the Trustee is hereby deleted in its entirety.

Investors are advised to read this Second Supplementary Information Memorandum dated 8 June 2020 together with the Information Memorandum dated 18 June 2018 and the First Supplementary Information Memorandum dated 14 January 2019.

# FIRST SUPPLEMENTARY INFORMATION MEMORANDUM

This First Supplementary Information Memorandum dated 14 January 2019 must be read together with the Information Memorandum dated 18 June 2018 for:-

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FUND	DATE OF CONSTITUTION
Maybank Bluewaterz Total Return Fund	9 April 2015

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<b>Manager</b>	:	Maybank Asset Management Sdn Bhd (421779-M)
<b>Trustee</b>	:	SCBMB Trustee Berhad (1005793-T)

INVESTORS ARE ADVISED TO READ THIS FIRST SUPPLEMENTARY INFORMATION MEMORANDUM DATED 14 JANUARY 2019 TOGETHER WITH THE INFORMATION MEMORANDUM DATED 18 JUNE 2018 AND OBTAIN PROFESSIONAL ADVICE BEFORE SUBSCRIBING TO THE FUND.

## **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 the First Supplementary Information Memorandum has been deposited 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 the First Supplementary 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 content of the First Supplementary 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 the 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 the 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 14 January 2019 together with the Information Memorandum dated 18 June 2018.**

1. **Insertion of the definition of “AEOI” in “Chapter 1 - Definitions” on page 1 of the Information Memorandum**

The definition of “AEOI” is hereby inserted as follows:

AEOI	means one or more of the following, as the context requires:
	(a) sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986 and any associated legislation, regulations or guidance, commonly referred to as the U.S. Foreign Account Tax Compliance Act, the Common Reporting Standard issued by the Organisation for Economic Cooperation and Development, or similar legislation, regulations or guidance enacted in any other jurisdiction which seeks to implement equivalent tax reporting and/or withholding tax regimes;
	(b) any intergovernmental agreement, treaty or any other arrangement between the Cayman Islands and the U.S. or any other jurisdiction (including between any government bodies in each relevant jurisdiction), entered into to facilitate, implement, comply with or supplement the legislation, regulations or guidance described in paragraph (a); and
	(c) any legislation, regulations or guidance implemented in the Cayman Islands to give effect to the matters outlined in the preceding paragraphs.

2. **Amendment to the definition of “Business Day of the Target Fund” in “Chapter 1 - Definitions” on page 1 of the Information Memorandum**

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

Business Day of the Target Fund	means a day (other than a Saturday, Sunday or gazetted public holiday) on which banks in Singapore are open for normal banking business or such other day as the Directors may designate from time to time either generally or in any particular case as a business day.
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3. **Amendment to the definition of “Dealing Day for Redemptions” in “Chapter 1 - Definitions” on page 1 of the Information Memorandum**

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

Dealing Day for Redemptions	means each Business Day of the Target Fund or such other day(s) as the Directors may designate from time
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Investors are advised to read this First Supplementary Information Memorandum dated 14 January 2019 together with the Information Memorandum dated 18 June 2018.

to time, either generally or in any particular case as a Dealing Day for Redemptions.

4. **Amendment to the definition of “Dealing Day for Subscriptions” in “Chapter 1 - Definitions” on page 1 of the Information Memorandum**

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

Dealing Day for Subscriptions	means each Business Day of the Target Fund or such other day(s) as the Directors may designate from time to time, either generally or in any particular case as a Dealing Day for Subscriptions.
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5. **Amendment to the definition of “Dealing Deadline for Redemptions” in “Chapter 1 - Definitions” on pages 1 to 2 of the Information Memorandum**

The definition of “Dealing Deadline for Redemptions” is hereby deleted in its entirety.

6. **Deletion of the definition of “FATCA” in “Chapter 1 - Definitions” on page 2 of the Information Memorandum**

The definition of “FATCA” is hereby deleted in its entirety.

7. **Amendment to the definition of “Placing Memorandum” in “Chapter 1 - Definitions” on page 3 of the Information Memorandum**

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

Placing Memorandum	refers to the offer document of the Target Fund dated 9 April 2009 as amended and restated on 2 May 2014 as supplemented by the first supplementary memorandum dated 28 November 2014, second supplementary memorandum dated 16 January 2017, third supplementary memorandum dated 20 June 2017 and second amended and restated placing memorandum dated 2 January 2019.
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8. **Amendment to the definition of “Sophisticated Investor” in “Chapter 1 - Definitions” on pages 3 to 4 of the Information Memorandum**

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

Sophisticated Investor	refers to:- (a) an individual whose total net personal assets, or total net joint assets with his or her spouse, exceed RM3 million or its equivalent in foreign currencies, excluding the value of the individual’s primary residence;
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Investors are advised to read this First Supplementary Information Memorandum dated 14 January 2019 together with the Information Memorandum dated 18 June 2018.

- (b) an individual who has a gross annual income exceeding RM300,000 or its equivalent in foreign currencies per annum in the preceding 12 months;
- (c) an individual who, jointly with his or her spouse, has a gross annual income exceeding RM400,000 or its equivalent in foreign currencies in the preceding 12 months;
- (d) a corporation with total net assets exceeding RM10 million or its equivalent in foreign currencies based on the last audited accounts;
- (e) a partnership with total net assets exceeding RM10 million or its equivalent in foreign currencies;
- (f) a unit trust scheme or prescribed investment scheme;
- (g) a private retirement scheme as defined in the Act;
- (h) a closed-end fund approved by the SC;
- (i) a company that is registered as a trust company under the Trust Companies Act 1949 which has assets under management exceeding RM10 million or its equivalent in foreign currencies;
- (j) a corporation that is a public company under the Companies Act 2016 which is approved by the SC to be a trustee under the Act and has assets under management exceeding RM10 million or its equivalent in foreign currencies;
- (k) a statutory body established by an Act of Parliament or an enactment of any State;
- (l) a pension fund approved by the Director General of Inland Revenue under the Income Tax Act 1967;
- (m) Central Bank of Malaysia established under the Central Bank of Malaysia Act 2009;
- (n) a holder of a capital markets services licence or an executive director or a chief executive officer of a holder of a capital markets services licence;
- (o) a licensed bank as defined in the Financial Services Act 2013;
- (p) a licensed Islamic bank as defined in the Islamic Financial Services Act 2013;
- (q) a Labuan bank as defined in the Labuan Financial Services and Securities Act 2010;
- (r) a licensed insurer as defined in the Financial Services Act 2013;
- (s) a takaful licensee as defined in the Labuan Islamic Financial Services and Securities Act 2010;
- (t) an insurance licensee as defined in the Labuan Financial Services and Securities Act 2010;

**Investors are advised to read this First Supplementary Information Memorandum dated 14 January 2019 together with the Information Memorandum dated 18 June 2018.**

- (u) a licensed takaful operator as defined in the Islamic Financial Services Act 2013; and
- (v) such other investor(s) as may be permitted by the SC from time to time and/or under the relevant guidelines for wholesale funds.

9. **Amendment to the definition of “Valuation Point of the Target Fund” in “Chapter 1 - Definitions” on page 5 of the Information Memorandum**

The definition of “Valuation Point of the Target Fund” is hereby deleted in its entirety and replaced with the following:

Valuation Point of the Target Fund	each of the following constitutes a “Valuation Point of the Target Fund”: <ul style="list-style-type: none"><li>(a) the close of business of the last market relevant to the Target Fund on each Dealing Day; and</li><li>(b) such other day or time as the Directors may designate from time to time either generally or in any particular case as a “Valuation Point of the Target Fund”.</li></ul>
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10. **Amendment to the facsimile number of the Manager in “Chapter 2 - Corporate Directory” on page 6 of the Information Memorandum**

The facsimile number at the business office of the Manager is hereby deleted in its entirety and replaced with the following:

Fax No: 03 - 2715 0071

11. **Amendment to section 3.6 - Deed in “Chapter 3 - Information on the Fund” on page 7 of the Information Memorandum**

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

Deed dated 9 April 2015, first supplemental deed dated 21 May 2018 and second supplemental deed dated 19 December 2018 relating to the Fund entered into between the Manager and the Trustee and include any other supplemental deed as may be executed between the Manager and the Trustee from time to time.

12. **Amendment to section 3.14 - Valuation of Investment in “Chapter 3 - Information on the Fund” on pages 9 to 10 of the Information Memorandum**

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

The valuation bases of the permitted investments of the Fund are as follows:

Investors are advised to read this First Supplementary Information Memorandum dated 14 January 2019 together with the Information Memorandum dated 18 June 2018.

**(a) Collective investment scheme**

The value of the Class B Participating Shares of the Target Fund will be based on the last published repurchase prices of a Class B Participating Share of the Target Fund for the relevant day.

**(b) Current and/or fixed deposits**

Current and/or fixed deposits placed with financial institutions are valued daily by reference to the principal value of such investments and interest accrued thereon for the relevant period.

**(c) Money market instruments**

Money market instruments are valued daily at cost, 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.

For commercial papers, such instruments are valued on a daily basis using the fair value quoted by Bond Pricing Agency (“BPA”).

**(d) Fixed or floating rate fixed income securities**

Unlisted RM denominated fixed or floating rate fixed income securities issued and/or offered in Malaysia will be valued on a daily basis using the fair value quoted by BPA. In the event that the value quoted by BPA is not available, the average price quoted by three (3) financial institutions shall be deemed to be the most appropriate valuation to be referred to by the Manager.

Unlisted non-RM denominated fixed or floating rate fixed income securities will be valued on a daily basis by reference to the average indicative price quoted by at least three (3) independent and reputable institutions. However, in the absence of reliable indicative price quotations, such non-RM denominated fixed or floating rate fixed income securities will be valued as determined in good faith by the Manager, based on methods or bases which have been verified by the auditor and approved by the Trustee.

**(e) Derivatives**

Derivatives are marked-to-market once every day, where possible. Otherwise the derivative positions will be valued at fair value, as determined in good faith by the Manager based on methods or bases which have been verified by the auditor and approved by the Trustee.

**13. Amendment to section 4.1 - Structure of the Target Fund in “Chapter 4 - Information on the Target Fund” on page 11 of the Information Memorandum**

The third paragraph is hereby deleted in its entirety and replaced with the following:

The Participating Shares are available as Class A Participating Shares, Class B Participating Shares and Class B-SGD Participating Shares. Class A Participating Shares, Class B Participating Shares and Class B-SGD Participating Shares have

**Investors are advised to read this First Supplementary Information Memorandum dated 14 January 2019 together with the Information Memorandum dated 18 June 2018.**



identical rights and privileges in all respects except as set out in the Placing Memorandum\*.

*Note:*

*\* Please refer to "Part VI - Variation of Rights of Shareholders" of the Placing Memorandum for further details.*

**14. Amendment to section 4.3 - Investment Manager of the Target Fund in "Chapter 4 - Information on the Target Fund" on pages 11 to 13 of the Information Memorandum**

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

The Investment Manager is a private limited company incorporated in Singapore on 30 June 2008. The Investment Manager has been appointed by the Target Fund to manage, supervise, select and evaluate investments of the Target Fund, subject to compliance with applicable laws, the Constitution and in accordance with the terms of the management agreement between the Investment Manager and the Target Fund ("**Management Agreement**").

Pursuant to the Management Agreement, the Investment Manager is entitled to be indemnified by the Target Fund in respect of any loss or liability incurred by it in connection with the performance of its duties as Investment Manager except that caused by fraud, gross negligence or wilful default on the part of the Investment Manager or its agents.

Either party to the Management Agreement may terminate the Management Agreement by not less than six (6) months' written notice to the other party although where any party has gone into liquidation (except voluntary liquidation for the purposes of reconstruction or amalgamation or merger upon terms previously approved in writing by the other party) or if a receiver or administrator (or equivalent) is appointed over all or any substantial part of its assets or if any party has failed to remedy a material breach of the Management Agreement, the notice may take immediate effect.

The fund management industry in Singapore is regulated by the Monetary Authority of Singapore ("**MAS**") and no person can act as a fund manager in Singapore unless he is the holder of a capital markets services licence for fund management or unless he falls within the categories of persons who are exempt from licensing. The Investment Manager has obtained a capital markets services licence for fund management. The contact details of MAS are as follows:

Monetary Authority of Singapore  
10 Shenton Way  
MAS Building  
Singapore 079117  
Telephone: +65 6225 5577  
Facsimile: +65 6229 9491  
Email: webmaster@mas.gov.sg

**Investors are advised to read this First Supplementary Information Memorandum dated 14 January 2019 together with the Information Memorandum dated 18 June 2018.**

As at 2 January 2019, the Investment Manager maintains a professional indemnity insurance policy and it is intended that such policy will be renewed periodically or alternative professional indemnity insurance policy coverage taken up from time to time, to cover usual risks which are customarily insured under such policies and/or otherwise covering such risks as the Investment Manager may in its discretion deem appropriate from time to time.

The Investment Manager may appoint investment advisor(s) from time to time to provide strategic investment advice and limited investment management services with respect to the Target Fund's portfolio.

The key investment personnel of the Investment Manager is Rachana Mehta. The profile of Ms. Mehta is set out below:

### **Rachana Mehta**

Ms. Rachana Mehta has over 18 years of experience in global financial markets with premier financial institutions. She has extensive experience in Asian dollar bonds, SGD bonds, credit markets and foreign exchange. She was the Head of Asia and emerging markets, Fixed Income at DBS Asset Management, the Head of Foreign Exchange and Interest Rates at Cargill Financial Services, and managed discretionary funds at UFJ Bank and JP Morgan. Ms. Mehta has extensive knowledge of Asian local government bonds and credit markets and has been rated as one of Asia's most astute bond investors by the magazine, "The Asset", on multiple occasions.

Ms. Mehta is a Chartered Financial Analyst and holds a Masters in Business Administration from the University of South Carolina, USA, and has a Masters in Management (Specialization in Finance) from the Birla Institute of Technology and Science.

### **15. Amendment to section 4.6 - Investment Strategy of the Target Fund in "Chapter 4 - Information on the Target Fund" on pages 13 to 14 of the Information Memorandum**

The information on the investment strategy of the Target Fund is hereby deleted in its entirety and replaced with the following:

The Target Fund will take active positions\* in rates and credits, adopting a two-pronged market approach, by investing into local currency and G3 (i.e. United States of America, Japan and Europe) denominated fixed income securities\*\*. It will also employ active hedging policies through the use of currency forwards or other derivatives to take positions in Asia and emerging countries.

*Note:*

\* "active positions" means fixed income securities are actively managed.

\*\* "local currency denominated fixed income securities" means fixed income securities that are

(i) denominated in Asian or emerging markets currencies; or

(ii) issued in Asian or emerging markets but denominated in currencies of other markets.

\*\*\*"G3 (i.e. United States of America, Japan and Europe) denominated fixed income securities" means fixed income securities issued in Asia and emerging markets that are denominated in USD, Yen and Euro.

**Investors are advised to read this First Supplementary Information Memorandum dated 14 January 2019 together with the Information Memorandum dated 18 June 2018.**

The Target Fund will target investment opportunities in the rapidly growing Asia and emerging fixed income markets\*. The Investment Manager believes that certain Asia and emerging economies have undergone structural changes and offer strong sustainable growth\*\*, and as such, as an asset class, Asia and emerging market fixed income securities and currencies offer investors (such as the Fund) risk adjusted returns\*\*\*.

*Note:*

\* *“rapidly growing Asia and emerging fixed income markets” refers to the view of the Investment Manager that such markets have shown positive growth and development in its fixed income markets.*

\*\* *“strong sustainable growth” means the growth in these regions are expected to be steady and on an improving trend.*

\*\*\* *“risk-adjusted returns” can be measured by the Sharpe Ratio. A Sharpe Ratio higher than zero indicates better risk-adjusted returns.*

The Investment Manager believes that while Asia and emerging markets are generally efficient in pricing assets in the long run, in the short term, they often mis-price assets because of slow, incomplete and imperfect information flow. The investment team of the Investment Manager, with extensive experience in Asia and emerging market fixed income securities and currencies and a proven track record, will combine in-depth local market knowledge, fundamental research and macro analysis in its rigorous investment process to take advantage of the mis-pricing of assets.

The Target Fund's strategy is to adopt a top-down macro approach in country and currency selection. The Target Fund intends to diversify across countries and currencies. The Target Fund intends to use a bottom-up approach for credit selection.

The Fund intends to trade the arbitrage opportunities that exist between onshore and offshore implied rates and credit default swap spreads.

The Target Fund intends to take long positions in relation to fixed income securities based on a top-down macro approach whereby if interest rates of fixed income securities issued in a market (“Market A”) are higher than interest rates of fixed income securities issued in another market, the Fund may invest in fixed income securities issued in Market A or vice versa. Factors which may be taken into account in this top-down macro approach include inflation, fiscal balance, yields and growth. The Target Fund may invest in bond futures to manage interest rate risk.

The Target Fund also intends to take long and short positions\* in various Asia and emerging markets in relation to the Target Fund's investments in currencies (through forwards and non-deliverable forwards). The Target Fund will invest in currencies (through forwards and non-deliverable forwards) after consideration of various factors, including real effective exchange rates\*\*, foreign investment inflows\*\*\*, current account\*\*\*\*, reserves\*\*\*\*\* and correlation between currencies.

*Note:*

\* *The Investment Manager will actively hedge currencies which the fixed income securities are denominated.*

\*\* *“real effective exchange rates” means the weighted average of a single country's currency relative to a particular index or a basket of other major currencies adjusted for the effects of inflation. The weights are derived by comparing the relative trade balances, in terms of one country's currency, with every other country within the index.*

**Investors are advised to read this First Supplementary Information Memorandum dated 14 January 2019 together with the Information Memorandum dated 18 June 2018.**

\*\*\* “foreign investment inflows” means inflow of foreign capital in local bonds or equity markets of Asian or emerging markets.

\*\*\*\* “current account” means current accounts of Asian or emerging markets.

\*\*\*\*\* “reserves” means foreign exchange reserves of Asian or emerging markets.

The Investment Manager believes that it can deliver consistent positive returns through fundamental, valuation and technical research and in depth local market knowledge.

**16. Amendment to section 4.7 - Asset Allocation of the Target Fund in “Chapter 4 - Information on the Target Fund” on pages 14 to 15 of the Information Memorandum**

The information on the asset allocation of the Target Fund is hereby deleted in its entirety and replaced with the following:

Up to 100% of the Target Fund’s net asset value	Fixed income securities
Remainder of the Target Fund’s net asset value	Cash deposits*, money market instruments, bond futures, credit default swaps, forwards, non-deliverable forwards** and convertible bonds

*Note:*

\* *The Target Fund may hold 100% of its net asset value in cash deposits in adverse market, political or economic conditions.*

\*\* *“non-deliverable forwards” is defined as a short-term forward contract that is settled in cash, where the profit or loss at the time at the settlement date is calculated by taking the difference between the spot rate at the time of settlement and the agreed upon exchange rate, for an agreed upon notional amount of funds.*

**17. Amendment to section 4.8 - Permitted Investments of the Target Fund in “Chapter 4 - Information on the Target Fund” on page 15 of the Information Memorandum**

The information on the permitted investments of the Target Fund is hereby deleted in its entirety and replaced with the following:

It is intended that the Target Fund will invest primarily in fixed income securities, derivatives such as bond futures, forwards, non-deliverable forwards\*, credit default swaps and convertible bonds.

*Note:*

\* *“non-deliverable forwards” is defined as a short-term forward contract that is settled in cash, where the profit or loss at the time at the settlement date is calculated by taking the difference between the spot rate at the time of settlement and the agreed upon exchange rate, for an agreed upon notional amount of funds.*

**Investors are advised to read this First Supplementary Information Memorandum dated 14 January 2019 together with the Information Memorandum dated 18 June 2018.**

**18. Amendment to section 5.2 - Specific Risks of the Fund in “Chapter 5 - Risk Factors” on pages 24 to 25 of the Information Memorandum**

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

(7) Risk relating to payment of redemption proceeds

This risk will arise if the Target Fund is suspended or the Target Fund receives redemption requests aggregating to more than 20% (or such other percentage as the Directors may determine) of the Class B Participating Shares of the Target Fund in issue or of all the Participating Shares in issue\*. Should any of the above events occur, the Manager may not be able to pay the redemption proceeds to the Unit Holders within the specified time period, i.e. 15 calendar days, from the Manager's receipt of the redemption request before the cut-off time of 12.00 p.m. on a Business Day. However, the Manager will pay the redemption proceeds to the Unit Holders within 15 calendar days after the receipt of the redemption proceeds by the Manager from the Target Fund. The Target Fund will strive to pay the Manager within the shortest possible time frame. However, there is no specific time frame which has been set currently.

*Note:*

*\* Please refer to Section 4.11(a) Redemption of Shares of the Target Fund for details relating to the limitations on redemptions imposed at the Target Fund level.*

**19. Amendment to section 5.3 - Risks of the Target Fund in “Chapter 5 - Risk Factors” on page 35 of the Information Memorandum**

The information on the consequences for investors as a result of FATCA is hereby deleted in its entirety and replaced with the following:

(29) Consequences for Investors as a result of AEOI

The Target Fund may take such action as it considers necessary in relation to an investor's holding or redemption proceeds, as a result of relevant legislation and regulations, including but not limited to, AEOI, as further detailed in the section of the Placing Memorandum entitled "Taxation". Such actions may include, but are not limited to the following:

1. The disclosure by the Target Fund, the Investment Manager, the Administrator or such other service provider or delegate of the Target Fund, of certain information relating to an investor to the Cayman Islands Tax Information Authority or equivalent authority and any other foreign government body as required by AEOI. Such information may include, without limitation, confidential information such as financial information concerning an investor's investment in the Target Fund, and any information relating to any shareholders, principals, partners, beneficial owners (direct or indirect) or controlling persons (direct or indirect) of such investor.
2. The Target Fund may compulsorily redeem any Participating Shares held by an investor in accordance with the terms of the Placing Memorandum and may deduct relevant amounts from a recalcitrant investor so that any withholding

**Investors are advised to read this First Supplementary Information Memorandum dated 14 January 2019 together with the Information Memorandum dated 18 June 2018.**

tax payable by the Target Fund or any related costs, debts, expenses, obligations or liabilities (whether internal or external to the Target Fund) are recovered from such investor(s) whose action or inaction (directly or indirectly) gave rise or contributed to such taxes, costs or liabilities. Failure by an investor to assist the Target Fund in meeting its obligations pursuant to AEOI may therefore result in pecuniary loss to such investor.

**20. Insertion of notes in section 6.3 - Transfer Fee in “Chapter 6 - Fees, Charges and Expenses” on page 37 of the Information Memorandum**

The following notes are hereby inserted immediately after the table:

*Notes:*

*(1) We reserve the right to waive the transfer fee.*

*(2) 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.*

**21. Amendment to section 6.5 - Management Fee in “Chapter 6 - Fees, Charges and Expenses” on page 38 of the Information Memorandum**

The illustration is hereby deleted in its entirety and replaced with the following:

Assuming the NAV of the RM Class (before deducting the management fee and trustee fee) for a particular day is RM30,000,000.00 with a management fee of 1.80% of the NAV of the RM Class, then the accrued management fee for that day would be:-

$$\frac{\text{RM30,000,000.00} \times 1.80\%}{365 \text{ days}} = \text{RM1,479.45 per day}$$

The management fee for each Class is calculated and accrued daily in the Fund’s base currency, RM, and paid monthly to us.

**22. Amendment to section 6.6 - Trustee Fee in “Chapter 6 - Fees, Charges and Expenses” on pages 38-39 of the Information Memorandum**

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

The Trustee is entitled to a fee of up to 0.018% per annum of the NAV of the Fund, subject to a minimum fee of RM6,000.00 per annum. The trustee fee is calculated and accrued daily and payable monthly to the Trustee.

Please note that the example below is for illustration only:

Assuming that the NAV of the Fund is RM30,000,000.00 for the day, the accrued trustee fee for that day would be:-

$$\frac{\text{RM30,000,000.00} \times 0.018\%}{365 \text{ days}} = \text{RM14.79 per day}$$

**Investors are advised to read this First Supplementary Information Memorandum dated 14 January 2019 together with the Information Memorandum dated 18 June 2018.**

23. **Amendment to “Chapter 6 - Fees, Charges and Expenses” on page 39 of the Information Memorandum**

The second last note is hereby deleted in its entirety and replaced with the following:

*Note: All fees, charges and expenses stated herein are exclusive of any taxes or duties as may be imposed by the government from time to time.*

24. **Amendment to section 7.1 - Valuation Point in “Chapter 7 - Transaction Information” on page 40 of the Information Memorandum**

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

The Fund is valued 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 5.00 p.m. on the next Business Day. The daily price of the Fund for a particular Business Day will not be published on the next day but will instead be published the next following day (i.e. the price will be two (2) days old).

25. **Amendment to section 7.2 - Computation of NAV in “Chapter 7 - Transaction Information” on pages 40-41 of the Information Memorandum**

The second and fourth paragraphs are hereby deleted in their entirety and replaced with the following:

Second Paragraph

The NAV of the Fund is determined by deducting the value of the Fund’s liabilities from the value of the Fund’s assets, as at the valuation point. For the purpose of computing the management fee and trustee fee, the NAV of the Fund should be inclusive of the management fee and the trustee fee for the relevant Business Day.

Fourth Paragraph

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

26. **Amendment to section 8.1 - Making an Investment in “Chapter 8 - Transaction Details” on page 44 of the Information Memorandum**

The second paragraph is hereby deleted in its entirety and replaced with the following:

For any purchase application received via fax notification by the Manager as well as cleared funds received **on or before the cut off time of 12.00 p.m. on a Business Day**, the Units would be created based on the NAV per Unit of the respective Classes as at the next valuation point after the request for purchase of Units is received and accepted by the Manager. Any application received or deemed to have been received after this cut-off time would be considered as being transacted on the next Business Day.

Investors are advised to read this First Supplementary Information Memorandum dated 14 January 2019 together with the Information Memorandum dated 18 June 2018.

27. **Amendment to section 8.2 - Redemption of Units in “Chapter 8 - Transaction Details” on pages 44 to 45 of the Information Memorandum**

The first and fifth paragraphs are hereby deleted in its entirety and replaced with the following:

First Paragraph

For any redemption application received or deemed to have been received via fax notification by the Manager **on or before 12.00 p.m. on a Business Day**, the Units would be cancelled based on the NAV per Unit of the respective Classes as at the next valuation point after the request for redemption of Units is received and accepted by the Manager. Any redemption application received or deemed to have been received after this cut-off time would be considered as being transacted on the next Business Day.

Fifth Paragraph

Redemption proceeds will be paid within 15 calendar days from the Manager’s receipt of a redemption request before the cut-off time of 12.00 p.m. on a Business Day. In the event the payment day is not a Business Day, the redemption proceeds will be paid to Unit Holders on the following Business Day.

28. **Amendment to section 8.3 - Cut-Off Time for Purchase and Redemption of Units in “Chapter 8 - Transaction Details” on page 45 of the Information Memorandum**

The information on the cut-off time for purchase and redemption of Units is hereby deleted in its entirety and replaced with the following:

The cut-off time for purchase and redemption of Units shall be at **12.00 p.m.** on a Business Day.

Any applications received before the cut-off time on a Business Day will be processed based on the Forward Pricing of the Fund.

Any applications received after the cut-off time on a Business Day will be treated as having been received the next Business Day and will be processed the next Business Day based on the next Forward Pricing of the Fund.

29. **Amendment to section 8.5 - Switching between Funds in “Chapter 8 - Transaction Details” on page 46 of the Information Memorandum**

The sixth and seventh paragraphs are hereby deleted in its entirety and replaced with the following:

Sixth Paragraph

Any switching request made **on or before the cut off time of 12.00 p.m. on a Business Day** will be made at the NAV per Unit of the Class to be switched from and the prevailing net asset value per unit of the intended fund to be switched to when the switching request is received and accepted by the Manager, subject to availability and any terms and conditions imposed by the intended fund, if any.

Investors are advised to read this First Supplementary Information Memorandum dated 14 January 2019 together with the Information Memorandum dated 18 June 2018.



Seventh Paragraph

Any switching request received or deemed to have been received after this cut-off time would be considered as being transacted on the next Business Day.

**30. Amendment to section 8.10 - Goods and Services Tax in “Chapter 8 - Transaction Details” on page 48 of the Information Memorandum**

The information on goods and services tax is hereby deleted in its entirety and replaced with the following:

**8.10 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 the Info Memo.

**31. Amendment to section 12.2 - Unit Price in “Chapter 12 - Communication with Unit Holders” on page 55 of the Information Memorandum**

The information on where the unit price of the Fund can be obtained is hereby deleted in its entirety and replaced with the following:

Unit Holders will be able to obtain the Unit price of the Fund from <http://www.maybank-am.com.my>.

**Investors are advised to read this First Supplementary Information Memorandum dated 14 January 2019 together with the Information Memorandum dated 18 June 2018.**

**Responsibility Statement**

This Info Memo 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 Info Memo has been deposited 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 Info Memo, 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 content of this Info Memo.

**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 Info Memo that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Info Memo 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) DEFINITIONS

In this Info Memo, the following abbreviations or words shall have the following meanings unless otherwise stated:

Act	means the Capital Markets and Services Act 2007 as may be amended from time to time.
Administrator	Standard Chartered Bank, Singapore Branch, acting in its capacity as administrator to the Target Fund, or such other administrator appointed by the Target Fund from time to time.
Bank Negara Malaysia	means the central bank of Malaysia.
Bursa Malaysia	means the stock exchange managed and operated by Bursa Malaysia Securities Berhad (635998-W).
Business Day	means a day on which Bursa Malaysia is open for trading and is also a Business Day of the Target Fund.
Business Day of the Target Fund	means a day (other than a Saturday, Sunday or gazetted public holiday) on which banks in Singapore and the United States of America are open for normal banking business or such other day as the Directors may designate from time to time either generally or in any particular case as a business day.
Class(es)	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.
CMSRL	means capital markets services representative's licence.
Companies Law	means the Companies Law of the Cayman Islands, as amended from time to time.
Constitution	means the memorandum of association and articles of association of the Target Fund, as may be amended from time to time.
Dealing Day	means a Dealing Day for Subscriptions or a Dealing Day for Redemptions of the Target Fund, as the case may be.
Dealing Day for Redemptions	means the first Business Day of the Target Fund of each calendar week or such other day(s) as the Directors may designate from time to time, either generally or in any particular case as a Dealing Day for Redemptions.
Dealing Day for Subscriptions	means the first Business Day of the Target Fund of each calendar week or such other day(s) as the Directors may designate from time to time, either generally or in any particular case as a Dealing Day for Subscriptions.
Dealing Deadline for Redemptions	means in respect of any particular Dealing Day for Redemptions, means 5 p.m. Singapore time on the date falling three (3) Business Days of the Target Fund prior to the relevant Dealing Day for Redemptions (or if such a date is not a Business Day of the Target Fund, the preceding Business Day of the

	Target Fund), or such other Business Day of the Target Fund and/or time as the Directors may designate from time to time in their absolute discretion either generally or in any particular case as a Dealing Deadline for Redemptions.
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.
Directors	means the directors of the Target Fund.
FATCA	means one or more of the following, as the context requires: <ul style="list-style-type: none"> <li>(i) sections 1471 to 1474 of the US Internal Revenue Code of 1986 and any associated legislation, regulations or guidance, commonly referred to as the US Foreign Account Tax Compliance Act, the Common Reporting Standard ("CRS") issued by the Organisation for Economic Cooperation and Development OECD, or similar legislation, regulations or guidance enacted in any other jurisdiction which seeks to implement equivalent tax reporting and/or withholding tax regimes;</li> <li>(ii) any intergovernmental agreement, treaty, regulation, guidance or any other arrangement between the Cayman Islands or any other applicable jurisdiction (or any government body or taxation authority in the Cayman Islands or any other such applicable jurisdiction) (on the one hand) and the US, the UK or any other jurisdiction (including any government or taxation bodies in such jurisdiction) (on the other hand), entered into in order to comply with, facilitate, supplement or implement the legislation, regulations or guidance described in paragraph (i); and</li> <li>(iii) any legislation, regulations or guidance implemented in the Cayman Islands or any other applicable jurisdiction to give effect to the matters outlined in the preceding paragraphs.</li> </ul>
Fitch	means Fitch Ratings.
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 the Manager.
Fund/MBWF	means the Maybank Bluewaterz Total Return Fund.
Guidelines	means the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the SC and any other relevant guidelines issued by the SC.
IFRS	means International Financial Reporting Standards.
Info Memo	refers to the information memorandum of this Fund.
Investment Manager	refers to Maybank Asset Management Singapore Pte. Ltd.

Long-term	means a period of three (3) years and above.
Liquid Assets	means current deposits and/or fixed deposits placed with financial institutions, fixed or floating rate fixed income securities and/or money market instruments, all of which has maturity with less than one (1) year to maturity at the time of holding.
Manager/ Maybank AM	refers to Maybank Asset Management Sdn Bhd (421779-M).
Moody's	means Moody's Investors Service.
Mutual Funds Law	refers to the Mutual Funds Law of the Cayman Islands, as amended from time to time.
Net Asset Value or NAV	means the total value of the Fund's assets minus its liabilities at the valuation point.
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.
Participating Share	means a participating redeemable share with limited voting rights in the capital of the Target Fund with a nominal or par value of USD0.001 each issued subject to and in accordance with the provisions of the Companies Law and the Constitution, and having the rights and being subject to the restrictions as provided for under the Constitution with respect to such share.
Placing Memorandum	refers to the offer document of the Target Fund dated 9 April 2009 as amended and restated on 2 May 2014 as supplemented by the first supplementary memorandum dated 28 November 2014, second supplementary memorandum dated 16 January 2017 and third supplementary memorandum dated 20 June 2017.
Sophisticated Investor	refers to:- <ul style="list-style-type: none"> <li>(a) an individual whose total net personal assets, or total net joint assets with his or her spouse, exceed RM3 million or its equivalent in foreign currencies, excluding the value of the individual's primary residence;</li> <li>(b) an individual who has a gross annual income exceeding RM300,000 or its equivalent in foreign currencies per annum in the preceding 12 months;</li> <li>(c) an individual who, jointly with his or her spouse, has a gross annual income exceeding RM400,000 or its equivalent in foreign currencies in the preceding 12 months;</li> <li>(d) a corporation with total net assets exceeding RM10 million or its equivalent in foreign currencies based on the last audited accounts;</li> <li>(e) a partnership with total net assets exceeding RM10 million or its equivalent in foreign currencies;</li> <li>(f) a unit trust scheme or prescribed investment scheme;</li> </ul>

- (g) a private retirement scheme;
- (h) a closed-end fund approved by the SC;
- (i) a company that is registered as a trust company under the Trust Companies Act 1949 which has assets under management exceeding RM10 million or its equivalent in foreign currencies;
- (j) a corporation that is a public company under the Companies Act 2016 which is approved by the SC to be a trustee under the Act and has assets under management exceeding RM10 million or its equivalent in foreign currencies;
- (k) a statutory body established by an Act of Parliament or an enactment of any State;
- (l) a pension fund approved by the Director General of Inland Revenue under section 150 of the Income Tax Act 1967;
- (m) central bank of Malaysia;
- (n) a holder of a capital markets services licence or an executive director or a chief executive officer of a holder of a capital markets services licence;
- (n) a licensed person as defined under the Financial Services Act 2013;
- (o) Islamic bank as defined under the Islamic Financial Services Act 2013;
- (p) an insurance company licensed under the Financial Services Act 2013;
- (q) a takaful operator registered under the Islamic Financial Services Act 2013;
- (r) a bank licensee or insurance licensee as defined under the Labuan Financial Services and Securities Act 2010; and
- (s) an Islamic bank licensee or takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010.

Redemption Price	means the NAV per Unit payable to a Unit Holder pursuant to a redemption of a Unit; for the avoidance of doubt, the Redemption Price does not include any redemption charge which may be imposed.
RM	means Ringgit Malaysia.
RM Class	represent a Class denominated in RM.
Selling Price	means the NAV per Unit payable by an applicant for a Unit pursuant to an application for Units; for the avoidance of doubt, the Selling Price does not include any sales charge which may be imposed.
SC	refers to the Securities Commission Malaysia.



Shareholder	means a person who is registered on the register of members of the Target Fund as the holder of the Class B Participating Shares of the Target Fund.
Standard & Poor's	means Standard & Poor's Rating Services.
Target Fund	refers to Maybank BlueWaterz Total Return Bond Fund.
Trustee	refers to SCBMB Trustee Berhad (1005793-T).
Unit	refers to a measurement of the right or interest of a Unit Holder in the Fund or the relevant Class (as the context so require).
Unit Holder(s)	means the person registered as a holder of a Unit or Units including persons jointly registered for the Fund or the relevant Class (as the context so require).
U.S. (United States) Person(s)	<p>means:</p> <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> <li>(e) any estate other than a non-U.S. estate;</li> <li>(f) any trust if: <ul style="list-style-type: none"> <li>(i) a court within the U.S. is able to exercise primary supervision over the administration of the trust; and</li> <li>(ii) one or more U.S. Persons have the authority to control all substantial decisions of the trust;</li> </ul> </li> <li>(g) any other person that is not a non-U.S. Person; or</li> <li>(h) any definition as may be prescribed under the Foreign Account Tax Compliance Act, as may be amended from time to time.</li> </ul>
USD	means United States Dollar.
USD Class	represent a Class denominated in USD.
Valuation Point of the Target Fund	<p>each of the following constitutes a Valuation Point of the Target Fund:</p> <ul style="list-style-type: none"> <li>(i) the close of business of the last market relevant to the Target Fund on the Business Day of the Target Fund immediately preceding a Dealing Day;</li> <li>(ii) the close of business of the last market relevant to the Target Fund on the last Business Day of the Target Fund of a calendar month; or</li> <li>(iii) such other day or time as the Directors may designate from time to time either generally or in any particular case as a "Valuation Point of the Target Fund".</li> </ul>

**(2) CORPORATE DIRECTORY**

<b>MANAGER</b>	Maybank Asset Management Sdn Bhd (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 - 2297 7998
<b>MANAGER'S DELEGATE</b>	Malayan Banking Berhad (3813-K)
<b>REGISTERED OFFICE</b>	14 <sup>th</sup> Floor, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur
<b>BUSINESS OFFICE</b>	8 <sup>th</sup> Floor, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur Tel: 03 - 2070 8833 Fax: 03 - 2715 8226
<b>TRUSTEE</b>	SCBMB Trustee Berhad (1005793-T)
<b>REGISTERED OFFICE</b>	Level 16, Menara Standard Chartered 30, Jalan Sultan Ismail 50250 Kuala Lumpur
<b>BUSINESS OFFICE</b>	Level 13A, Menara Standard Chartered 30, Jalan Sultan Ismail 50250 Kuala Lumpur Tel No: 03-2721 5047 Fax No: 03-2711 6060
<b>TRUSTEE'S DELEGATE</b>	Standard Chartered Bank Malaysia Berhad (115793-P)
<b>REGISTERED OFFICE AND BUSINESS OFFICE</b>	Level 16, Menara Standard Chartered 30, Jalan Sultan Ismail 50250 Kuala Lumpur Tel: 03 - 2117 7777 Fax: 03 - 2711 6060

### (3) INFORMATION ON THE FUND

#### 3.1 Fund Type

Growth.

#### 3.2 Fund Category

Feeder fund (fixed income).

#### 3.3 Initial Offer Price & Initial Offer Period

RM Class	USD Class
The initial offer price is not applicable as the initial offer period for the RM Class has ended.	USD 1.00

The initial offer period for USD Class shall be 21 days from the date of this Info Memo.

#### 3.4 Financial Year End

Every 31 December of the calendar year.

#### 3.5 Trustee

SCBMB Trustee Berhad.

#### 3.6 Deed

Deed dated 9 April 2015 and first supplemental deed dated 21 May 2018 relating to the Fund entered into between the Manager and the Trustee and include any other supplemental deed as may be executed between the Manager and the Trustee from time to time.

#### 3.7 Investment Objective

The Fund aims to achieve Long-term consistent positive returns\* by investing in the Target Fund.

*Note:*

\* "Long-term consistent positive returns" means positive returns for a period of three (3) years and above from the launch of the Fund.

#### 3.8 Investor Profile

The Fund is suitable for Sophisticated Investors:

- who seek consistent positive returns in the Long-term;
- who are willing to tolerate the risk associated with investing in fixed income securities via a collective investment scheme, i.e. the Target Fund; and
- who has a Long-term investment horizon.

### 3.9 Asset Allocation

Between 80% - 98% of the Fund's NAV	<ul style="list-style-type: none"> <li>• Target Fund.</li> </ul>
Between 2% - 20% of the Fund's NAV	<ul style="list-style-type: none"> <li>• Liquid Assets.</li> </ul>

### 3.10 Benchmark

The Fund's benchmark shall be based on an absolute return of 6.5% per annum of the Fund's NAV. This is not a guaranteed return and is only a measurement of the Fund's performance.

*Note: For the purpose of the Fund, the benchmark is only used as a yardstick to assess the performance of the Fund as the Target Fund is an absolute return fund and is benchmark unconstrained, i.e. the Target Fund will be actively managed without reference to any specific benchmark.*

### 3.11 Investment Style & Strategy

To achieve the investment objective, the Fund will invest between 80% - 98% of its NAV in the Class B Participating Shares of the Target Fund which is denominated in USD.

The Manager will also invest between 2% - 20% of the Fund's NAV in Liquid Assets.

The Fund may employ currency hedging strategies to fully or partially hedge the foreign currency exposure into RM in order to manage currency risk.

As the Fund is a wholesale feeder fund, the investments of the Fund will consist of a single collective investment scheme, i.e. the Target Fund, and Liquid Assets.

*Please refer to Section 4.6 for details of the investment strategy employed by the Target Fund.*

If, in the opinion of the Manager, the Target Fund no longer meets the objective of the Fund, the Manager may choose to replace the Target Fund with another collective investment scheme that is consistent with the objective of this Fund. The Manager will seek Unit Holders' approval before any such change is made.

#### Temporary Defensive Position

The Manager may take temporary defensive positions that may be inconsistent with the Fund's investment strategy in attempting to respond to adverse market, political or economic conditions. Under such situations, the Fund may hold up to all of the Fund's NAV in Liquid Assets. The defensive positions may be adopted for a time period as the Manager considers appropriate in consultation with the Trustee. Accordingly, the Fund's performance may be different from the Target Fund's performance.

### 3.12 Permitted Investments

The Fund is permitted to invest in the following:-

- One collective investment scheme;
- Liquid Assets;
- Derivatives such as foreign currency swaps\* or forward contracts\*\* for hedging purposes only; and
- Any other investments which are in line with the Fund's objective.

*Note:*

\* "currency swaps" are over-the-counter derivatives that serve two main purposes, i.e. to minimize foreign borrowing costs and to hedge exposure to exchange rate risk. It involves two parties exchanging a notional principal with one another in order to gain exposure to a desired currency. Following the initial notional exchange, periodic cash flows are exchanged in the appropriate currency.

\*\* "forward contracts" are agreements between a buyer and a seller whereby the buyer agrees to buy an underlying asset from the seller. The delivery of the asset occurs at a later time, but the price is determined at the time of purchase. Both parties can determine and define the terms and features to fit their specific needs, including when delivery will take place and the exact identity of the underlying asset.

### 3.13 Investment Restrictions & Limits

- (a) The Fund must not invest in the following:
  - any fund of funds;
  - any feeder fund; and
  - any sub-fund of an umbrella scheme which is a fund of fund or a feeder fund.
- (b) The Fund will invest between 80% - 98% of its NAV in the Class B Participating Shares of the Target Fund which is denominated in USD.
- (c) The Fund will also invest between 2% - 20% of the Fund's NAV in Liquid Assets.

### 3.14 Valuation of Investment

The valuation bases of the permitted investments of the Fund are as follows:

#### (a) Collective investment scheme

The value of the Class B Participating Shares of the Target Fund will be based on the last published repurchase prices of a Class B Participating Share of the Target Fund for the relevant week.

#### (b) Current and/or fixed deposits

Current and/or fixed deposits placed with financial institutions are valued weekly by reference to the principal value of such investments and interest accrued thereon for the relevant period.

**(c) Money market instruments**

Money market instruments are valued weekly at cost, 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.

**(d) Fixed or floating rate fixed income securities**

Unlisted RM denominated fixed or floating rate fixed income securities issued and/or offered in Malaysia will be valued on a weekly basis using the fair value quoted by Bond Pricing Agency (“BPA”). In the event that the value quoted by BPA is not available, the average price quoted by three (3) financial institutions shall be deemed to be the most appropriate valuation to be referred to by the Manager.

Unlisted non-RM denominated fixed or floating rate fixed income securities will be valued on a weekly basis by reference to the average indicative price quoted by at least three (3) independent and reputable institutions. However, in the absence of reliable indicative price quotations, such non-RM denominated fixed or floating rate fixed income securities will be valued as determined in good faith by the Manager, based on methods or bases which have been verified by the auditor and approved by the Trustee.

**(e) Derivatives**

Derivatives are marked-to-market once every week, where possible. Otherwise the derivative positions will be valued at fair value, as determined in good faith by the Manager based on methods or bases which have been verified by the auditor and approved by the Trustee.

**3.15 Base Currency**

Ringgit Malaysia.

**3.16 Foreign Exchange Translation**

Foreign exchange translation of foreign investments for a particular Business Day is determined based on the bid exchange rate quoted by Reuters or Bloomberg at UK time 4.00 p.m. which is equivalent to 11.00 p.m. or 12.00 a.m. midnight (Malaysia time) on the same day, or such other time as prescribed by FIMM or any relevant law.

## (4) INFORMATION ON THE TARGET FUND

This section of the Info Memo provides you with information regarding the Target Fund as extracted from the Placing Memorandum save for certain additional information provided by the Investment Manager as “notes” in this section of the Info Memo. All capitalised terms and expressions used (including the “notes” as provided by the Investment Manager) in this section in reference to the Target Fund have the same meanings ascribed to them in the Placing Memorandum as may be amended from time to time. Investors may obtain a copy of the Placing Memorandum from the Manager.

### 4.1 Structure of the Target Fund

The Target Fund was incorporated as an exempted company with limited liability under the Companies Law on 24 February 2009 and has registered with the Cayman Islands Monetary Authority pursuant to section 4(3) of the Mutual Funds Law. The Target Fund is subject to regulation under the Mutual Funds Law.

The Target Fund's assets, as set out in the Constitution, are unrestricted and the Target Fund is capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided by Section 27(2) of the Companies Law.

The Participating Shares are available as Class A Participating Shares and Class B Participating Shares. Class A Participating Shares and Class B Participating Shares have identical rights and privileges in all respects except as set out in the Placing Memorandum\*.

*Note:*

*\* Please refer to "Part VI - Variation of Rights of Shareholders" of the Placing Memorandum for further details.*

The Directors may establish new classes of Participating Shares without the consent of existing Shareholders (such as the Fund). Each such class may have different investment parameters, fee structures, redemption periods and/or other features in the Directors' sole discretion. The offering of such new classes of Participating Shares for subscription may be accompanied by a separate offering document or by a supplement to the Placing Memorandum. The establishment of new classes of Participating Shares will not have a detrimental effect on the Class B Participating Shares of the Target Fund as the new classes of Participating Shares would have their own rights and privileges. The rights and privileges of the new classes of Participating Shares will not undermine the rights and privileges of the Shareholders of the Class B Participating Shares.

***The Fund will only be investing in the Class B Participating Shares of the Target Fund.***

### 4.2 Regulatory Authority which regulates the Target Fund

Cayman Islands Monetary Authority.

### 4.3 Investment Manager of the Target Fund

The Investment Manager is a private limited company incorporated in Singapore on 30 June 2008. The Investment Manager has been appointed by the Target Fund to manage,

supervise, select and evaluate investments of the Target Fund, subject to compliance with applicable laws, the Constitution and in accordance with the terms of the management agreement between the Investment Manager and the Target Fund (“**Management Agreement**”).

Pursuant to the Management Agreement, the Investment Manager is entitled to be indemnified by the Target Fund in respect of any loss or liability incurred by it in connection with the performance of its duties as Investment Manager except that caused by fraud, negligence or wilful default on the part of the Investment Manager or its agents.

Either party to the Management Agreement may terminate the Management Agreement by not less than six (6) months' written notice to the other party although where any party has gone into liquidation (except voluntary liquidation for the purposes of reconstruction or amalgamation or merger upon terms previously approved in writing by the other party) or if a receiver or administrator (or equivalent) is appointed over all or any substantial part of its assets or if any party has failed to remedy a material breach of the Management Agreement, the notice may take immediate effect.

The fund management industry in Singapore is regulated by the Monetary Authority of Singapore (“**MAS**”) and no person can act as a fund manager in Singapore unless he is the holder of a capital markets services licence for fund management or unless he falls within the categories of persons who are exempt from licensing. The Investment Manager has obtained a capital markets services licence for fund management. The contact details of MAS are as follows:

Monetary Authority of Singapore  
10 Shenton Way  
MAS Building  
Singapore 079117  
Telephone: +65 6225 5577  
Facsimile: +65 6229 9491  
Email: webmaster@mas.gov.sg

As at the date of the Placing Memorandum (i.e. 2 May 2014), the Investment Manager maintains a professional indemnity insurance policy and it is intended that such policy will be renewed periodically or alternative professional indemnity insurance policy coverage taken up from time to time, to cover usual risks which are customarily insured under such policies and/or otherwise covering such risks as the Investment Manager may in its discretion deem appropriate from time to time.

The Investment Manager may appoint investment advisor(s) from time to time to provide strategic investment advice and limited investment management services with respect to the Target Fund's portfolio.

The directors of the Investment Manager are Badrul Hisyam bin Abu Bakar, Goh Keat Jin and Kevin Phillip.

The key investment personnel of the Investment Manager is Rachana Mehta. The profile of Ms. Mehta is set out below:

**Rachana Mehta**

Ms. Rachana Mehta has over 18 years of experience in global financial markets with premier financial institutions. She has extensive experience in bonds, credit markets and foreign exchange. She was the Head of Asia and emerging markets, Fixed Income at DBS Asset Management, the Head of Foreign Exchange and Interest Rates at Cargill Financial Services, and managed discretionary funds at UFJ Bank and JP Morgan. Ms. Mehta was



rated as one of the most astute investors in the Asian region by The Asset magazine in 2001, 2003, 2007 and 2008.

Ms. Mehta is a Chartered Financial Analyst and holds a Masters in Business Administration from the University of South Carolina, USA, and has a Masters in Management (Specialization in Finance) from the Birla Institute of Technology and Science.

#### 4.4 Administrator

Standard Chartered Bank, acting through its Singapore Branch has been appointed by the Target Fund as the administrator pursuant to the terms of the administration services agreement between the Target Fund and the Administrator as amended from time to time (“Administration Services Agreement”). The Administrator will be responsible, under the supervision of the Directors, for providing certain administration services to the Target Fund in accordance with the provisions of the Administration Services Agreement. These include the calculation of the net asset value and the net asset value per Participating Share and transfer agency services in connection with the subscription and redemption of Participating Shares.

#### 4.5 Investment Objective of the Target Fund

The Target Fund's investment objective is to achieve superior Long-term consistent positive returns\* by primarily\*\*\* investing in Asian and emerging market fixed income securities\*\*\*\*.

*Note:*

\* “superior Long-term consistent positive returns” means positive returns with low volatility\*\* for a period of three (3) years and above.

\*\* “low volatility” means approximately 3% - 5% per annum deviation of daily returns.

\*\*\* “primarily” means at least 70% of the net asset value of the Target Fund.

\*\*\*\* Under normal market circumstances, the Target Fund will invest at least 70% of its net asset value in fixed income securities. The Target Fund may invest up to 100% of its net asset value in fixed income securities.

#### 4.6 Investment Strategy of the Target Fund

The Target Fund will take active positions\* in rates and credits, adopting a two-pronged market approach, by investing into local currency and G3 (i.e. United States of America, Japan and Europe) denominated fixed income securities\*\*. It will also employ active hedging policies through the use of currency forwards or other derivatives to take positions in Asia and emerging countries.

*Note:*

\* “active positions” means fixed income securities are actively managed.

\*\* “local currency denominated fixed income securities” means fixed income securities that are

(i) denominated in Asian or emerging markets currencies; or

(ii) issued in Asian or emerging markets but denominated in currencies of other markets.

\*\*\*“G3 (i.e. United States of America, Japan and Europe) denominated fixed income securities” means fixed income securities issued in Asia and emerging markets that are denominated in USD, Yen and Euro.

The Target Fund will target investment opportunities in the rapidly growing Asia and emerging fixed income markets\*. The Investment Manager believes that certain Asia and emerging economies have undergone structural changes and offer strong sustainable growth\*\*, and as such, as an asset class, Asia and emerging market fixed income securities and currencies offer investors (such as the Fund) risk adjusted returns\*\*\*.

**Note:**

\* *“rapidly growing Asia and emerging fixed income markets” refers to the view of the Investment Manager that such markets have shown positive growth and development in its fixed income markets.*

\*\* *“strong sustainable growth” means the growth in these regions are expected to be steady and on an improving trend.*

\*\*\* *“risk-adjusted returns” can be measured by the Sharpe Ratio. A Sharpe Ratio higher than zero indicates better risk-adjusted returns.*

The Investment Manager believes that while Asia and emerging markets are generally efficient in pricing assets in the long run, in the short term, they often mis-price assets because of slow, incomplete and imperfect information flow. The investment team of the Investment Manager will combine in-depth local market knowledge, fundamental research and macro analysis in its rigorous investment process to take advantage of the mis-pricing of assets.

The Target Fund's strategy is to adopt a top-down macro approach in country and currency selection. The Target Fund intends to diversify across countries and currencies. The Target Fund intends to use a bottom-up approach for credit selection.

The Target Fund intends to take long positions in relation to fixed income securities based on a top-down macro approach whereby if interest rates of fixed income securities issued in a market (“Market A”) are higher than interest rates of fixed income securities issued in another market, the Fund may invest in fixed income securities issued in Market A or vice versa. Factors which may be taken into account in this top-down macro approach include inflation, fiscal balance, yields and growth. The Target Fund may invest in bond futures to manage interest rate risk.

The Target Fund also intends to take long and short positions\* in various Asia and emerging markets in relation to the Target Fund’s investments in currencies (through forwards and non-deliverable forwards). The Target Fund will invest in currencies (through forwards and non-deliverable forwards) after consideration of various factors, including real effective exchange rates\*\*, foreign investment inflows\*\*\*, current account\*\*\*\*, reserves\*\*\*\*\* and correlation between currencies.

**Note:**

\* *The Investment Manager will actively hedge currencies which the fixed income securities are denominated.*

\*\* *“real effective exchange rates” means the weighted average of a single country's currency relative to a particular index or a basket of other major currencies adjusted for the effects of inflation. The weights are derived by comparing the relative trade balances, in terms of one country's currency, with every other country within the index.*

\*\*\* *“foreign investment inflows” means inflow of foreign capital in local bonds or equity markets of Asian or emerging markets.*

\*\*\*\* *“current account” means current accounts of Asian or emerging markets.*

\*\*\*\*\* *“reserves” means foreign exchange reserves of Asian or emerging markets.*

The Investment Manager believes that it can deliver consistent positive returns through fundamental valuation, technical research and in depth local market knowledge.

Note: The Target Fund has no benchmark. The Target Fund is an absolute return fund.
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#### 4.7 Asset Allocation of the Target Fund

At least 70% of the Target Fund's net asset value	Fixed income securities
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Up to 30% of the Target Fund's net asset value	Cash deposits*, money market instruments, bond futures, credit default swaps, forwards and non-deliverable forwards**
------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------

**Note:**

\* *The Target Fund may hold 100% of its net asset value in cash deposits in adverse market, political or economic conditions.*

\*\* *“non-deliverable forwards” is defined as a short-term forward contract that is settled in cash, where the profit or loss at the time at the settlement date is calculated by taking the difference between the spot rate at the time of settlement and the agreed upon exchange rate, for an agreed upon notional amount of funds.*

#### 4.8 Permitted Investments of the Target Fund

It is intended that the Target Fund will invest in fixed income securities, cash deposits, money market instruments and derivatives such as bond futures, forwards, non-deliverable forwards\* as well as credit default swaps.

**Note:**

\* *“non-deliverable forwards” is defined as a short-term forward contract that is settled in cash, where the profit or loss at the time at the settlement date is calculated by taking the difference between the spot rate at the time of settlement and the agreed upon exchange rate, for an agreed upon notional amount of funds.*

#### 4.9 Investment Restrictions and Limits of the Target Fund

It is intended that the following investment limits and restrictions should in principle, and where possible, be applied in managing the assets of the Target Fund:

- The value of the Target Fund's holdings in relation to fixed income securities from any one country will not exceed 30% of the Target Fund's net asset value.
- At the time of acquisition, not more than 15% of the Target Fund's net asset value may be invested in the fixed income securities of any single issuer (excluding sovereign and quasi-sovereign entities\*).
- At the time of acquisition, not more than 15% of the Target Fund's net asset value may be invested in fixed income securities rated as either B, B- or B+ by Standard & Poor's or the equivalent ratings by Moody's or Fitch\*\*.
- At the time of acquisition, not more than 15% of the Target Fund's net asset value may be invested in any unrated issuer.
- The Target Fund will only invest in non-deliverable forwards\*\*\* for a term of less than one (1) year.

**Note:**

\* *“sovereign entities” means a country's government bodies and “quasi-sovereign entities” means government-backed agencies.*

\*\* *The Target Fund may invest in fixed income securities that are rated higher than the ratings disclosed in the Information Memorandum.*

\*\*\* *“non-deliverable forwards” is defined as a short-term forward contract that is settled in cash, where the profit or loss at the time at the settlement date is calculated by taking the difference between the spot rate at the time of settlement and the agreed upon exchange rate, for an agreed upon notional amount of funds.*

The investment guidelines and restrictions outlined above apply to any investment at the time that the investment is made, and will be measured by reference to the net asset value of the Target Fund at the time such investment is made.

The restrictions set out above are an indication of the boundaries within which it is anticipated the investments of the Target Fund will be managed. The Investment Manager has the discretion to exceed these restrictions if it considers that the objective of the Target Fund will be better achieved in doing so. If any of the investment restrictions set out above are exceeded, the Investment Manager may (but shall not be obliged to) take such steps to bring the investments of the Target Fund within or close to the stated restrictions over such period of time as it may consider appropriate.

#### 4.10 Valuation of the Target Fund

The net asset value and net asset value per Participating Share will be calculated by the Administrator, in consultation with the Investment Manager and under the direction of the Directors or their duly appointed delegates, in accordance with the Constitution and in the manner described below as at a Valuation Point of the Target Fund (except when determination of the net asset value has been suspended in accordance with the Constitution and the Placing Memorandum). The net asset value and the net asset value per Participating Share of any class will be denominated in USD.

The net asset value of the Target Fund will be equivalent to all the assets of the Target Fund less all the liabilities of the Target Fund as at a Valuation Point of the Target Fund.

The net asset value per Class B Participating Shares of the Target Fund is determined by dividing the value of the assets of the Target Fund attributable to the Class B Participating Shares of the Target Fund less all liabilities of the Target Fund attributable to the Class B Participating Shares of the Target Fund by the number of Class B Participating Shares of the Target Fund as at a Valuation Point of the Target Fund.

The net asset value per Class B Participating Shares of the Target Fund as at a Valuation Point of the Target Fund shall be rounded to the nearest USD0.01 (USD0.005 being rounded up).

For the purpose of calculating the net asset value:

- (i) the value of any cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received shall be deemed to be the full amount thereof unless the Investment Manager (acting on behalf of the Directors but ultimately still subject to the Directors' supervision) or their duly authorised agent(s) shall have determined that any such deposit, bill, demand note or account receivable is not worth the full amount thereof in which event the value thereof shall be deemed to be such value as the Investment Manager (acting on behalf of the Directors but ultimately still subject to the Directors' supervision) or their duly authorised agent(s) shall deem to be the reasonable value thereof;
- (ii) except in the case of any interest in a unit trust, mutual fund corporation, open-ended investment company or other similar open-ended investment vehicle (a "managed fund") to which paragraph (iii) below applies and subject as provided in paragraphs (iv), (v) and (vi) below, all calculations based on the value of investments quoted, listed, traded or dealt in on any stock exchange, commodities exchange, futures exchange or over-the-counter market shall be made by reference to the last traded price (or, lacking any sales, at the mean between the last available bid and asked prices) on the principal exchange for such investments as at the close of business in such place on the day as of which such calculation is to

be made; and where there is no such stock exchange, commodities exchange, futures exchange or over-the-counter market all calculations based on the value of the investment quoted by any person, firm or institution making a market in the investment (and if there shall be more than one such market maker then such particular market maker as the Investment Manager (acting on behalf of the Directors but ultimately still subject to the Directors' supervision) or their duly authorised agent(s) may designate) shall be made by reference to the mean of the latest bid and asked price quoted thereon; provided always that if the Investment Manager (acting on behalf of the Directors but ultimately still subject to the Directors' supervision) or their duly authorised agent(s) in their discretion consider that the prices ruling on an exchange other than the principal exchange provide, considering all the circumstances a fairer criterion of value in relation to any such investment, they may adopt such prices;

- (iii) subject as provided in paragraphs (iv), (v) and (vi) below, the value of each interest in any managed fund which is valued as at the same day as the Target Fund shall be the net asset value per unit, share or other interest in such managed fund calculated as at that day or, if the Investment Manager (acting on behalf of the Directors but ultimately still subject to the Directors' supervision) or their duly authorised agent(s) so determine or if such managed fund is not valued as at the same day as the Target Fund, shall be the last published net asset value per unit, share or other interest in such managed fund (where available) or (if the same is not available) the last published redemption or bid price for such unit, share or other interest. In particular, if there are no price quotations available for the valuation of the managed fund, it shall be calculated in accordance with the values published, or reported in writing to the Target Fund as at or immediately before a Valuation Point of the Target Fund, by or on behalf of the managed fund, or if the managed fund is not valued as at or immediately before the Valuation Point of the Target Fund, shall be the last so published or reported value. Valuations may in the absolute discretion of the Investment Manager (acting on behalf of the Directors but ultimately still subject to the Directors' supervision) or their duly authorised agent(s) be subject to later adjustment. In performing the calculations, the Investment Manager (acting on behalf of the Directors but ultimately still subject to the Directors' supervision) or their duly authorised agent(s) shall be entitled to rely on the unaudited valuations and reports and estimated valuations received from third parties, including the managed fund and its administrator, agents, investment manager or advisor, or other dealing subsidiary and shall not be responsible for verifying nor shall they be required to verify either the contents or veracity of such valuations and reports;
- (iv) if no net asset value, bid, asked or redemption prices or price quotations are available as provided in paragraphs (ii) or (iii) above, the value of the relevant asset shall be determined from time to time in such manner as the Investment Manager (acting on behalf of the Directors but ultimately still subject to the Directors' supervision) or their duly authorised agent(s) shall determine;
  - (a) the initial value of an unquoted asset, shall be the amount expended out of the Target Fund in the acquisition thereof (including in each case the amount of the stamp duties, commissions, legal and professional costs and other expenses incurred in the acquisition and vesting thereof); and
  - (b) the Investment Manager (acting on behalf of the Directors but ultimately still subject to the Directors' supervision) or their duly authorised agent(s) may at any time and shall at such times or at such intervals as it, in the absolute discretion determines, may request or cause a revaluation to be made of any such unquoted asset, by a professional person qualified to value such unquoted asset;

- (v) for the purposes of ascertaining quoted, listed, traded or market dealing prices, the Investment Manager (acting on behalf of the Directors but ultimately still subject to the Directors' supervision) or their duly authorised agent(s), the Administrator, or their agents or delegates shall be entitled to use and rely upon mechanised and/or electronic systems of valuation dissemination with regard to valuation of investments of the Target Fund and the prices provided by any such system shall be deemed to be the last traded prices for the purposes of paragraph (ii) above;
- (vi) any security which is not listed or quoted on any securities exchange or similar electronic system or if, being so listed or quoted, is not regularly traded thereon or in respect of which no prices as described above are available, will be valued at its fair value as determined by the Investment Manager (acting on behalf of the Directors but ultimately still subject to the Directors' supervision) or their duly authorised agent(s) in good faith having regard to its cost price, the price at which any recent transaction in the security may have been effected and such other factors as the Investment Manager (acting on behalf of the Directors but ultimately still subject to the Directors' supervision) or their duly authorised agent(s) in their sole discretion deem relevant in considering a positive or negative adjustment to the valuation;
- (vii) notwithstanding the foregoing, the Directors or their duly appointed delegates may, at their absolute discretion, permit some other method of valuation to be used if they consider that such valuation better reflects the fair value. In addition, the Directors or their duly appointed delegates may, at their absolute discretion, engage independent valuers to assist with valuation of any assets of the Target Fund or to review or affirm a valuation of an asset of the Target Fund; and
- (viii) any value (whether of a security or cash) otherwise than in USD shall be converted into USD at the rate (whether official or otherwise) which the Investment Manager (acting on behalf of the Directors but ultimately still subject to the Directors' supervision) or their duly authorised agent(s) shall in their absolute discretion deem appropriate to the circumstances having regard, inter alia, to any premium or discount which they consider may be relevant and to costs of exchange.

"Last traded price", as referred to in paragraph (ii) above, refers to the last traded price reported on the relevant exchange for the day, commonly referred to in the market as the "settlement" or "exchange price", and represents a price at which members of the exchange settle between themselves for their outstanding positions. Where a security has not traded on a given date, the last traded price for such security will be the "exchange close" price as calculated and published by the relevant exchange in accordance with its local rules and customs.

Under IFRS, investments should be valued at fair value and also that, under IFRS, bid pricing for long positions and asked/offer pricing for short positions respectively are considered to be representative of fair value for listed investments. However, under the valuation basis described above, listed investments are expected to be valued at the last traded price instead of bid or asked/offer pricing as required under IFRS which may lead to a different valuation had the valuation been performed in accordance with IFRS. To the extent that the valuation basis adopted by the Target Fund deviates from the IFRS, such non-compliance with IFRS may result in the auditors qualifying their opinion on those annual accounts depending on the nature and level of materiality of the non-compliance.

In calculating the net asset value, no discount will be factored notwithstanding that any investments held are subject to any lock in periods, moratoriums or other restrictions on disposal. For audit purposes however, the auditors may in accordance with applicable accounting standards and principles apply a discount. Accordingly, there may be differences between the net asset values of the Target Fund reflected in the audited

financial statements and the net asset value calculated in accordance with the valuation principles described in the Placing Memorandum and in the Constitution.

#### 4.11 Redemption of Shares of the Target Fund

##### (a) Limitations on redemptions

The Directors reserve the right to postpone redemptions if:

- (i) requests are received in respect of any one Dealing Day for Redemptions aggregating more than 20% (or such other percentage as the Directors may determine) of the Class B Participating Shares of the Target Fund in issue or of all the Participating Shares in issue, in which case, the Directors may reduce all but not some of such requests *pro rata* so that they cover no more than the relevant percentage of the Class B Participating Shares of the Target Fund issued or of all the Participating Shares in issue (as applicable); or
- (ii) the Directors need to realise part or all of the assets of the Target Fund in order to satisfy one or more redemptions pursuant to the Directors' right of compulsory redemption in circumstances as stated in the Placing Memorandum and in the Constitution.

Any part of a redemption request to which effect is not given by reason of the exercise of this power by the Directors will be treated (without priority to new and existing redemption requests) as if the request had been made in respect of the next Dealing Day for Redemptions and all following Dealing Days for Redemptions (in relation to which the Directors have the same power) until the original request has been satisfied in full. Any unsatisfied portion of any redemption request will continue to be at risk in the Target Fund's business.

##### (b) Suspension of the issue and redemption of the Class B Participating Shares of the Target Fund

The Directors may at any time declare a suspension of (1) the determination of net asset value; and/or (2) the subscription for the Class B Participating Shares of the Target Fund; and/or (3) the redemption of the Class B Participating Shares of the Target Fund at the option of the Shareholder (such as the Fund) (either in whole or in part); and/or (4) the purchase of the Class B Participating Shares of the Target Fund; and/or (5) the payment of any amount to a redeeming Shareholder (such as the Fund) in connection with the redemption of the Class B Participating Shares of the Target Fund, in each case for the whole or any part of any such period and in such circumstances as the Directors may determine which may include during (i) any period when any stock exchange, commodities exchange, futures exchange or over-the-counter market on which a substantial part of the Target Fund's investments is quoted, listed or dealt in is closed otherwise than for ordinary holidays; (ii) any period when dealings on any exchange or market are restricted or suspended; (iii) the existence of any circumstances as a result of which disposal of some or all of the Target Fund's investments cannot, in the absolute discretion of the Investment Manager, be effected normally or without prejudicing the interests of Shareholders (such as the Fund); (iv) the breakdown in any of the means normally employed in determining the net asset value or the subscription price or redemption price per Participating Share of any class or when for any other reason the value of any of the Target Fund's investments cannot be reasonably or accurately ascertained; (v) any period when realisation of the Target Fund's investments or the transfer of funds involved in such realisation cannot, in the opinion of the Investment Manager, be effected at normal prices or normal rates of exchange; (vi) any period when the business operations of the Investment Manager and/or the Administrator in relation to the operations of the Target Fund are substantially interrupted or closed as a result of or arising from pestilence, acts

of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God; (vii) any period where, as a result of exchange restrictions or other restrictions affecting the transfer of funds, transactions on behalf of the Target Fund are rendered impracticable, or if purchases, sales, deposits and withdrawals of any asset of the Target Fund cannot be effected at the normal rates of exchange, as determined by the Investment Manager; or (viii) where the holders of the management shares have resolved to commence winding up or other insolvency proceedings.

Any suspension declared shall take effect at such time as the Directors shall declare and shall remain in effect until the Directors shall declare the suspension to be at an end.

The Directors may suspend the redemption rights of a Shareholder (such as the Fund), including the right to receive the redemption price, if the Directors deem it necessary to do so to comply with anti-money laundering laws and regulations or any other legal requirement applicable to the Target Fund, the Investment Manager, any other service provider to the Target Fund or any affiliate of any of them.

**Note: Investors should note that if the Fund's redemption request is postponed or suspended by the Target Fund, there may be a delay in the payment of proceeds to the Unit Holders and the Manager may also suspend the purchase and/or redemption of Units of the Fund as long as the Target Fund is suspended. Please refer to section 8.2 "Redemption of Units" for more information.**

#### (c) Compulsory redemption

The Directors may in their sole discretion redeem some or all of a Shareholder's (such as the Fund) Class B Participating Shares of the Target Fund with or without cause, at any time upon at least 5 days' prior written notice to such Shareholder (such as the Fund). Payment will be made in accordance with the procedure applicable to the Class B Participating Shares of the Target Fund that are redeemed at the request of the Shareholder (such as the Fund), whether or not such redemption has been requested by such Shareholder (such as the Fund). Such redemption shall be effective on the date specified in such notice to the Shareholder (such as the Fund).

The Directors may, in their sole discretion, redeem a Shareholder's (such as the Fund) Class B Participating Shares of the Target Fund if the continued participation of such Shareholder in the Target Fund (such as the Fund) may result in the Target Fund incurring any legal, tax, regulatory or pecuniary disadvantage.

**Note: Under a compulsory redemption, the Directors may repurchase the Class B Participating Shares of the Target Fund held by the Manager at a value which is below the Manager's initial investments. This will adversely affect the value of the Fund.**



#### 4.12 Fees Charged by the Target Fund

Fees/Expenses	Rate
Subscription charge	Up to 5.00% of the subscription amount.  <i>Note: The Target Fund will not charge the subscription charge to the Fund.</i>
Redemption charge	Nil.
Management fee	1.50% per annum of the net asset value of the Class B Participating Shares of the Target Fund.  <i>Note: The management fee charged by the Target Fund will be paid out of the management fee charged by the Manager at the Fund level. Unit Holders will incur a management fee at the Fund's level only and there is no double charging of management fee.</i>
Performance fee	Not applicable to the Class B Participating Shares of the Target Fund.
Other expenses	The Target Fund will bear all its operating and administrative expenses, including all fees payable by the Target Fund to the Investment Manager, the custodian, and the Administrator and all fees payable to third parties and other expenses (other than those to be borne by the Investment Manager) incurred in its operations, including but not limited to, fees, taxes, expenses for legal, auditing and consulting services, promotional expenses, registration fees, renewal fees and other expenses due to supervisory authorities in various jurisdictions, fees and expenses incurred in respect of updates to the offering documents of the Target Fund (including all updates as may be necessary or, in the Directors' discretion, desirable), costs incurred in relation to regulatory compliance, insurance premiums in respect of Directors and officers' liability insurance, legal fees of Directors pursuant to their performance of duties for the Target Fund, the costs of publishing the net asset value and the costs of printing and distributing the annual and any periodic reports and statements.

#### 4.13 Dividend of the Target Fund

It is the present intention of the Directors not to declare or pay any dividend or distribution. Income earned will be reinvested and reflected in the value of the Class B Participating Shares of the Target Fund. However, this does not preclude the Directors from declaring a dividend at any time in the future if they consider it appropriate. If a dividend is declared, it will be paid in accordance with the Constitution and any applicable laws of the Cayman Islands.

## (5) RISK FACTORS

All investments carry some degree of risk. In relation to this, returns are not guaranteed to Unit Holders. If an investor expects a high return on investment, usually, the risk that the investor would have to bear would also be high, and vice versa. The choice of investing in the Fund is made at the discretion of the investors. There is a chance whereby the Fund chosen by the investor may not suit the investor's needs and circumstances. Investors should rely on their own evaluation to assess the merits and risks when investing in the Fund.

Given the inherence of risk in investment, before making an investment in the Fund, an investor should consider the various risks that may affect the Fund and the investor.

### 5.1 General Risks of Investing in the Fund

#### (1) Returns are not guaranteed

Investors 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 investors with any financial institutions which carry a specific rate of return, the Fund does not provide a fixed rate of return.

#### (2) Market risk

The value of investment may increase or decrease due to changes in market factors such as uncertainties in the economy, political and social environment that impact large portions of the market. This is a risk associated with all securities and cannot be eliminated. Hence, the Manager will monitor the financial markets closely and act on any adverse news accordingly.

#### (3) Inflation risk

Inflation creates uncertainties over the future value of investments. There is a risk that the Fund may generate a return on investment lower than the inflation rate. This would reduce investors' purchasing power per RM even though the nominal value of the investment in monetary terms has increased.

#### (4) Management risk

The performance of the Fund is very much dependent on the experience, expertise, investment techniques and investment decisions of the fund manager while the quality of management is also dependent on internal circumstances such as operational and system matters within the Manager. Poor management of the Fund would adversely affect the Fund's performance and jeopardise investment of Unit Holders. In order to mitigate this risk, the implementation of internal controls and a structured investment process and operational procedures has been put in place by the Manager.

#### (5) Non-compliance risk

This risk refers to the possibility that the Manager may not follow the provisions set out in this Info Memo or the Deed or the laws, rules, guidelines or internal operating policies which govern the Fund. Non-compliance may occur directly due to factors such as human error or system failure and can also occur indirectly due to amendment on the relevant regulatory frameworks, laws, rules, and other legal practices affecting the Fund. This risk may result in operational disruptions and potential losses to the Fund. The Manager aims

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.

(6) Loan financing risk

The price of Units fluctuates accordingly with the value of the underlying portfolio.

Investors should assess the inherent risk of investing with borrowed money which should include the following:

- i) The ability to service the loan repayments and the effect of increase in interest rates on loan repayments; and
- ii) (in case where Units are used as collateral to the loan) the ability to provide additional collateral should Unit prices fall beyond a certain level.

Investors are discouraged from financing the purchase of Units via borrowings and should assess the inherent risk of investing with borrowed money as returns are not guaranteed.

## 5.2 Specific Risks of the Fund

(1) Credit/default risk

This risk will arise when the issuer of a fixed or floating rate fixed income security fails to make timely payments of interest and/or principal repayments. This may cause the value of the Fund to be adversely affected.

Furthermore, current deposits and/or fixed deposits that the Fund has placed with financial institutions are also exposed to credit/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.

(2) Country risk

As the Fund invests in the Target Fund which is domiciled in the Cayman Islands, the Fund's investments in the Target Fund may be affected by risks specific to the Cayman Islands. Such risks include adverse changes in the Cayman Islands' economic fundamentals, social and political stability, laws, regulatory systems and foreign investment policies which may be detrimental to the management of the Target Fund.

(3) Currency risk\*

As the Fund is a multi-class fund, investors should also be aware of the following currency risk:

(a) Currency risk at the Fund's portfolio level

Since the Fund is denominated in RM and the Fund invests in Class B Participating Shares of the Target Fund which is denominated in USD, investors should be aware that if the RM appreciates against the USD, this will have an adverse effect on the NAV of the Fund and vice versa. Investors should note that any gains or losses arising from the movement of the USD against the RM may therefore increase or decrease the capital gains of the investment. Nevertheless, investors should realise that currency risk is considered as one of the major risks to foreign currency denominated investments due to the volatile nature of the foreign exchange market. In order to manage currency risk, the Manager may employ currency hedging strategies\*\* in attempt to fully or partially hedge the foreign currency exposure into RM.

## (b) Currency risk at the Class level

The impact of the exchange rate movement between the base currency of the Fund in RM and the currency denomination of the Class (other than in RM) may result in a depreciation of the investor's holdings as expressed in the base currency of the Fund.

*Note:*

\* Please refer to item (9) of Section 5.3 Risks of the Target Fund for more information pertaining to the risk of foreign currency markets.

\*\* "hedging strategies" will expose the Fund to hedging risk as set out in item (6) of Section 5.2 Specific Risks of the Fund.

(4) Concentration risk

The Fund is a feeder fund which invests in a single collective investment scheme. As such, the performance of the Target Fund will have a mirror effect on the performance of the Fund as any adverse effect on the Target Fund will inevitably affect the Fund as well. As the Fund invests between 80% - 98% of its NAV in the Target Fund, it is subject to concentration risk as the performance of the Target Fund would have a significant impact on the performance of the Fund.

(5) Investment Manager risk\*

The Fund invests into a collective investment scheme, i.e. the Target Fund, which is managed by the Investment Manager. Therefore, the Investment Manager has absolute discretion over the Target Fund's investment technique, operational controls and management. In the event of mismanagement of the Target Fund, the NAV of the Fund which invest into the Target Fund would be affected negatively. Although the probability of such occurrence is minimal, should the situation arise, the Manager reserves the right to seek an alternative collective investment scheme that is consistent with the objective of this Fund to replace the Target Fund, subject to the approval of the Unit Holders.

*Note:*

\* Please refer to item (20) of Section 5.3 Risks of the Target Fund for more information pertaining to the risk of relying on the Investment Manager.

(6) Hedging risk

The Manager will use derivatives to hedge the Fund's portfolio from certain anticipated losses such as those resulting from unfavourable exchange rate and interest rate movements. However, every hedge comes with a cost. In a move to mitigate the risk of uncertainty of exchange rate and interest rate movements, the Fund is now exposed to the risk of opportunity loss. Once hedged, the Fund cannot take full advantage of favourable exchange rate and interest rate movements. If the exposure which the Fund is hedging against makes money, the act of hedging would have typically reduced the potential returns of the Fund. On the other hand, if the exposure which the Fund is hedging against losses money, the act of hedging would have reduced the loss, if successfully hedged.

(7) Risk relating to payment of redemption proceeds

This risk will arise if the Target Fund is suspended or the Target Fund receives redemption requests aggregating to more than 20% (or such other percentage as the Directors may determine) of the Class B Participating Shares of the Target Fund in issue or of all the Participating Shares in issue\*. Should any of the above events occur, the Manager may not be able to pay the redemption proceeds to the Unit Holders within the specified time period, i.e. 15 calendar days, from the Manager's receipt of the redemption request before the cut-off time of 4.00 p.m. on a Monday. However, the Manager will pay the redemption proceeds to the Unit Holders within 15 calendar days after the receipt of the redemption proceeds by the Manager from the Target Fund. The Target Fund will strive to pay the

Manager within the shortest possible time frame. However, there is no specific time frame which has been set currently.

*Note:*

*\* Please refer to Section 4.11(a) Redemption of Shares of the Target Fund for details relating to the limitations on redemptions imposed at the Target Fund level.*

(8) Termination Risk

In the event the NAV of the Fund falls below USD100,000 (or its equivalent in RM) or where the Manager determines that it is in the best interests of the Unit Holders, the Manager may, in its sole opinion and without first obtaining the consent of the Unit Holders, terminate the trust and wind up the Fund. The termination of the Fund by the Manager shall be in accordance with the provisions of the Deed.

Upon the termination of the Fund by the Manager, the Manager shall as soon as practicable, notify the existing Unit Holders in writing of the following options:

- (a) to receive the net cash proceeds derived from the sale of all the investment and assets of the Fund 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; or
- (b) to switch to any other funds managed by the Manager upon such terms and conditions as shall be set out in the written notification; or
- (c) to choose any other alternative as may be proposed by the Manager.

(9) Risk of suspension relating to Target Fund\*

During the period when the Target Fund is suspended, the Investment Manager will not accept any subscriptions and/or redemptions and the calculation of the Target Fund's net asset value will be suspended. Due to the above reason, the Manager and Trustee may also suspend the sale and/or redemption of Units of the Fund without the consent of the Unit Holders for the same period the Target Fund is suspended or such other period as may be prescribed by any relevant law. The Manager will inform the Unit Holders of such suspension in the event it occurs and the Trustee shall notify SC of the suspension immediately in writing in accordance with the provisions in the Deed.

All suspended applications for Units and requests for redemption shall be deemed to have been received on the first Business Day after the lifting of the suspension provided always that the Manager may permit a withdrawal of such applications or requests at any time after the commencement of the suspension and before the lifting of the suspension.

*Note:*

*\* Please refer to Section 4.11(b) Redemption of Shares of the Target Fund for details relating to the suspension of the issue and redemption of the Class B Participating Shares of the Target Fund.*

(10) Risk of changes relating to Target Fund

The Target Fund's investment objective, style and strategy may be developed and changed over time, potentially exposing the Target Fund to additional and different risk factors. This poses a risk whereby the investment objective, style and strategy of the Target Fund may no longer be suitable or fit for those of the Fund. To mitigate the risk, the Manager may choose to replace the Target Fund with another collective investment scheme that is consistent with the investment objective, style and strategy of the Fund.

### 5.3 Risks of the Target Fund

#### (1) Investment concentration

As the Target Fund's investment strategies do not mandate diversification, the Target Fund may have all or a high percentage of its assets invested in only a few securities. Such lack of diversification could result in either large gains or losses depending on the performance of one or a few companies in which the Target Fund may be invested. Accordingly, the investment portfolio of the Target Fund may be subject to more rapid change in value\* than would be the case if the Target Fund were required to maintain a wide diversification among companies, securities or types of securities.

*Note:*

\* "more rapid change in value" means that the portfolio will be more volatile.

#### (2) Derivatives

Subject to applicable laws, the Target Fund's investments may include derivatives such as swaps, warrants (which are included as part of a debt issuance), options and futures. The risk of investing in swaps, warrants (which are included as part of a debt issuance), options and futures depends on the terms attached to them and on the volatility of the financial markets on which they are traded. Because over-the-counter derivatives - such as swaps, forwards and options - are customised transactions, they often assemble risks in complex ways. This can make the measurement and control of these risks more difficult and create the possibility of unexpected loss. As the viability of exercising warrants (which are included as part of a debt issuance) and/or options depends on the market prices of the securities to which they relate, it may be the case that the Investment Manager from time to time considers it not viable to exercise certain warrants (which are included as part of a debt issuance) and/or options held by the Target Fund within the prescribed period, in which case any costs incurred in obtaining the warrants (which are included as part of a debt issuance) and/or options will not be recoverable. The prices of futures and other derivatives contracts are volatile and may be influenced, among other things, by actual and expected changes in the underlying security or securities index or in interest rates and currency exchange rates, which are in turn affected by fiscal and monetary policies and national and international political and economic events. To the extent that derivatives instruments are purchased on margin, it should be noted that they inherently involve much greater risks compared to a non-margined purchase of the underlying security. Due to the relatively low margin deposits\* required to effect such derivatives instruments, derivatives instruments purchased on margin generally involves a high degree of risk. As a result, a relatively small price movement in a futures or derivatives contract may result in an immediate and substantial loss, or gain, to the Target Fund.

*Note:*

\* "relatively low margin deposits" means low margin deposits compared to the notional value of the derivative contract. For derivatives contracts, a margin has to be deposited. The margin is lower than the notional value of the contracts.

The primary risk with derivative investments is that their use may amplify a gain or loss, potentially earning or losing substantially more money than the actual cost of the derivative instrument. Derivatives involve special risks, including: (1) the risk that interest rates, securities prices, futures markets and currency markets will not move in the direction that the Investment Manager anticipates; (2) imperfect correlation between the price of derivative instruments and movements in the prices of the securities, interest rates or currencies being hedged; (3) the fact that skills needed to use these strategies are different than those needed to select portfolio securities; (4) the possible absence of a liquid secondary market for any particular instrument and possible exchange imposed price fluctuation limits, either of which may make it difficult or impossible to close out a position\* when desired; (5) the risk that adverse price movements in an instrument

can result in a loss substantially greater than the Target Fund's initial investment in that instrument (in some cases, the potential loss is unlimited); (6) particularly in the case of privately negotiated instruments, the risk that the counterparty will not perform its obligations, which could leave the Target Fund worse off than if it had not entered into the position; and (7) the inability to close out certain hedged positions to avoid adverse tax consequences.

*Note:*

\* "close out a position" means to exit a position.

*Operational Risk for Derivatives.* Operational risk is the risk of losses occurring because of inadequate systems and control, human error, or management failure. These risks also exist in securities and credit businesses. The complexity of derivatives, however, requires special emphasis on maintaining adequate human and systems controls to validate and monitor the transactions and positions of dealers. The main types of internal controls, depending upon the level of derivatives and the sophistication of the brokers or dealers, may include the following:

- Oversight of informed and involved senior management.
- Documentation of policies, procedures, establishing limits and exceptions, credit controls and management reports.
- Independent risk management function (analogous to credit review and asset/liability committees) that provides senior management validation of results and utilizations of limits.
- Independent internal audits that verify adherence to the firm's policies and procedures.
- A back office with the technology and systems for handling confirmations, documentation, payments and accounting.
- A system of independent checks and balances throughout the transaction process, from front-office initiation of a trade to final payment settlement.

Since the Investment Manager has only a limited operating history, exposure to any operational weakness of the Manager's business systems may be pronounced.

*Forward Contract.* A forward contract obligates one party to buy, and the other party to sell, a specific underlying contract at a specific price, amount, and date in the future. Forward contracts create credit exposure. Since the value of the contract is conveyed only at maturity, the parties are exposed to the risk of default during the life of the contract. The credit risk is two-sided. Only the party for whom the contract has a positive mark-to-market value\* can suffer a loss; but, since either party can ultimately end up in this situation, each party must evaluate the creditworthiness of its counterparty. Investors in the Target Fund (such as the Fund) are exposed to the risk of any credit default, resulting from either failure on the part of the Target Fund or that of the counterparty to any forward contract with the Target Fund.

*Note:*

\* "positive mark-to-market value" means an unrealized profit when comparing current market price to the cost of purchasing the security.

*Swaps, Options and Other Hedging Positions.* The Target Fund may use swaps, which are types of derivatives, and other hedging positions to increase total return. A swap is a contract under which two parties agree to make periodic payments to each other based on specified interest rates, an index or the value of some other instruments, applied to a stated amount or notional amount. The Target Fund may also become a party to various other customised derivative instruments entitling the counterparty to certain payments on the gain or loss on the value of an underlying or referenced instrument.

Certain swaps, options and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk.

*Futures Contracts.* If the Target Fund purchases or sells a futures contract over the exchange, the Target Fund may sustain a total loss of the initial margin funds\* and any additional funds that the Target Fund deposits with the holder of a capital markets services licence to establish or maintain the Target Fund's position. If the market moves against the Target Fund's position, the Target Fund may be called upon by the licence holder to deposit a substantial amount of additional margin funds\*\* on short notice in order to maintain its position. If the Target Fund does not provide the required funds within the specified time, its position may be liquidated at a loss, and the Target Fund will be liable for any resulting deficit in its account. The high degree of leverage that is often obtainable in futures contracts can work against the Target Fund and may potentially lead to large losses. The placement of contingent orders\*\*\* such as a 'stop-loss' or 'stop limit' order, by Target Fund or a holder of a capital markets services licence authorised by the Target Fund (such as the Investment Manager), will not necessarily limit the Target Fund's losses to the intended amounts, since market conditions may make it difficult or impossible to execute such orders.

*Note:*

\* "initial margin funds" means the percentage of the purchase price of securities (that can be purchased on margin) that the investor (such as the Fund) must pay for with his or her own cash.

\*\* "additional margin funds" means a broker's demand on an investor (such as the Fund) using margin to deposit additional money so that the margin account is brought up to the minimum maintenance margin.

\*\*\* "contingent orders" are orders put in place to be applied during difficult market events, such as stop loss orders. These orders may not be fully executed in difficult market conditions.

### (3) Fixed income securities

The Target Fund may invest in fixed income securities which may be unrated by a credit-rating agency or below investment grade and which are subject to greater risk of loss of principal and interest than higher-rated fixed income securities. The Target Fund may invest in fixed income securities which rank junior\* to other outstanding securities and obligations of the issuer, all or a significant portion of the senior tranche of the other outstanding securities and obligations of the issuer may be secured on substantially all of that issuer's assets. The Target Fund may invest in fixed income securities which are not protected by financial covenants or limitations on additional indebtedness. The Target Fund will therefore be subject to credit, liquidity and interest rate risks. In addition, evaluating credit risk from fixed income securities involves uncertainty because credit-rating agencies throughout the world have different standards, making comparisons across countries difficult. Also, the market for credit spreads\*\* is often inefficient and illiquid, making it difficult to value financial instruments.

*Note:*

\* "rank junior" means it is junior to senior obligations and secured obligations of the issuer. In the event of default, first senior obligations will be paid, and then junior obligations will be paid.

\*\* "credit spreads" means the difference in yield between treasury securities and non-treasury securities due to the difference in their credit quality.

### (4) Potential loss of investment

No guarantee or representation is made that the Target Fund's investment objective, style and strategy will be successful. The value of the Class B Participating Shares of the Target Fund and the return derived from them can fluctuate. As is true of any investment, there is a risk that an investment in the Target Fund will be lost entirely or in part. The Target Fund should represent only a portion of an investor's (such as the Fund) portfolio management strategy.



(5) Leverage

The Target Fund may borrow additional amounts to meet redemption requests. Arising from adverse financial market conditions (including where there is an ensuing credit crunch), the Target Fund may only be able to effect borrowing (if any and if available) at a higher cost to the Target Fund. The Target Fund may also pledge its assets as collateral security for the repayment of such borrowing. In the circumstances, the higher cost of borrowing to the Target Fund may result in decrease in the net asset value of the Target Fund. The shareholders of the Target Fund (such as the Fund) will bear the risk of any subsequent decline in the value of the Target Fund's investments.

(6) Investment strategy

Successful implementation of the Investment Manager's strategy requires accurate assessments of general economic conditions, the prospects of individual companies or industries, and the future behaviour of other financial market participants. Even with the most careful analysis, the direction of the financial markets is often driven by unforeseeable economic, political and other events and the reaction of market participants to these events. There can be no assurance that the Investment Manager's strategy will be successful and an unsuccessful strategy may result in significant losses to the Target Fund.

(7) Investments in publicly traded securities

Some of the markets in which the Target Fund may invest are emerging markets, and consequently tend to be substantially smaller, less liquid, less regulated and more volatile than major securities markets, such as those in more developed economies.

(8) Investments in fixed income securities issued by unlisted companies

Investments in fixed income securities issued by unlisted companies represent a higher risk as compared to investments in fixed income securities issued by listed companies. Unlisted companies generally do not have previous track records or business models, are subject to less regulation by authorities and may not have strong corporate governance procedures. There is also less transparency in their activities as well as a general lack of availability and access to more detailed financial information. In such event, the Target Fund may not be able to realise its investment in the fixed income securities issued by an unlisted company.

(9) Foreign currency markets

The Target Fund will have exposure to fluctuations in currency exchange rates where it holds currencies other than USD or invests directly or indirectly in securities denominated in currencies other than USD. The Target Fund invests in fixed income securities which are either denominated in USD or the local currencies of Asian or emerging markets, for example, Singapore Dollar. For the purpose of purchasing and hedging the currencies of the fixed income securities, the Target Fund actively manages and invests in currencies through forwards and non-deliverable forwards.

A change in value of any such currency against the USD will cause a corresponding change in the value of the Target Fund's securities that are denominated in such currency. Those changes may also affect the Target Fund's income. Certain countries maintain their currencies at artificial levels\* relative to the USD. This type of system can lead to sudden and large adjustments in such currency, which can result in losses to investors (such as the Fund). Furthermore, some countries may also restrict conversion of their currencies into other currencies, including the USD, and for some currencies, there is no significant foreign exchange market.

Note:

\* “artificial levels” means that the countries follow fixed exchange rates policy rather than market determined exchange rates.

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

Note:

\* “markets” means Asian or emerging markets.

#### (10) Currency exchange exposure and currency hedging

To the extent the Target Fund seeks to hedge its currency exposure, it may not always be practicable to do so. Moreover, hedging may not alleviate all currency risks. Furthermore, the Target Fund may incur costs in connection with conversions between various currencies. Currency exchange dealers realise a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer will normally offer to sell currency to the Target Fund at one rate, while offering a lesser rate of exchange should the Target Fund desire immediately to sell that currency to the dealer. The Target Fund conducts its currency exchange transactions either on a spot basis at the spot rate prevailing in the currency exchange market, or through entering into a number of different types of hedging transactions including, without limitation, forward, futures to purchase or sell currencies, and entering into foreign currency forwards.

To the extent the Target Fund enters into currency forward contracts (agreements to exchange one currency for another at a future date), these contracts involve a risk of loss if the Target Fund fails to predict accurately the direction of currency exchange rates. In addition, forward contracts are not guaranteed by an exchange or clearing house. Therefore, a default by the forward contract counterparty may result in a loss to the Target Fund for the value of unrealised profits on the contract or for the difference between the value of its commitments, if any, for purchase or sale at the current currency exchange rate and the value of those commitments at the forward contract exchange rate.

Techniques used to hedge currency exposure may reduce but will not eliminate the risk of loss due to unfavourable currency fluctuations and they tend to limit any potential gain that might result from favourable currency fluctuations.

There can be no guarantee that the instruments (such as forwards and non-deliverable forwards) used for hedging transactions suitable for hedging currency or market shifts will be available at the time the Target Fund wishes to use them, or will be able to be liquidated when the Target Fund wishes to do so. In addition, the Target Fund may choose not to enter into hedging transactions with respect to some or all of its positions.

#### (11) Emerging markets

The Target Fund will invest in assets in an emerging market. Investing in an emerging market involve additional risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include (i) increased risk of nationalisation or expropriation of assets or confiscatory taxation; (ii) greater social, economic and political uncertainty, including war; (iii) higher dependence on exports and the corresponding importance of international trade; (iv)

greater volatility, less liquidity and smaller capitalisation of securities markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for USD; (viii) increased likelihood of governmental decisions to cease support of economic reform programmes or to impose centrally planned economies; (ix) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (x) less extensive regulation of the securities markets; (xi) longer settlement periods for securities transactions and less reliable clearance and custody arrangements; and (xii) less protection through registration of assets.

(12) Event risks

Events such as moratorium and force majeure may cause disruptions to commerce, reduced economic activity, and continued volatility in markets throughout the world. Some of the assets in the Target Fund's portfolio may be adversely affected by declines in the securities markets and economic activity because of these factors. The Investment Manager cannot predict at this time the extent and timing of any decreased commercial and economic activity resulting from the above factors, or how any such decrease might affect the value of securities and other assets held by the Target Fund. The aforementioned factors could also result in incidents or circumstances that would disrupt the normal operations of the Investment Manager, the Administrator, the custodian, the broker-dealers, which could also have negative effects on the investment performance of the Target Fund.

(13) Political & economic risks

The net asset value of the Target Fund may be affected by uncertainties such as political or diplomatic developments, social and religious instability, changes in government policies, imposition of confiscatory taxation and or withholding taxes on interest payments, changes in interest rates and other political and economic developments in law or regulations and, in particular, the risk of, and change in, legislation relating to the level of foreign ownership, including nationalisation and expropriation of assets.

(14) Repatriation of capital, dividends, interest and other income risks

It may not be possible for the Target Fund to repatriate capital, dividends, interest and other income from certain countries, or it may require government consent to do so. The Target Fund could be adversely affected by the introduction of the requirement for any such consent, or delays in or the failure to grant any such consent, for the repatriation of funds or by any official intervention affecting the process of settlement of transactions which may in turn affect the repatriation of funds. Economic or political conditions could lead to the revocation or variation of consent granted prior to investment being made in any particular country or to the imposition of new restrictions.

(15) Settlement, clearing and registration risks

Some of the countries in which the Target Fund may invest are undergoing rapid expansion. There can be no guarantee of the operation or performance of settlement, clearing and registration of transactions in some of these markets. Where organised securities markets and banking and telecommunications systems are underdeveloped, concerns inevitably arise in relation to settlement, clearing and registration of transactions in securities where these are acquired other than as direct investments. Furthermore, due to the local postal and banking systems in many less developed markets, no guarantee can be given that all entitlements attaching to quoted and over-the-counter traded securities acquired by the Target Fund, including those related to dividends, can be realised. Some markets currently dictate that a local broker receives monies for

settlement by a number of days in advance of settlement, and that assets are not transferred until a number of days after settlement.

(16) Inflation

Some of the countries in which the Target Fund intends to invest have experienced extremely high rates of inflation for many years. Inflation and rapid fluctuations in inflation rates have had and may continue to have negative effects on the economies and securities markets of certain emerging countries. Therefore, the performance of the Target Fund could be affected by rates of inflation in countries in which the Target Fund invests.

(17) Counterparty risk

The Target Fund will transact most of its investments through financial institutions including but not limited to brokers, dealers and banks. All purchases and sales of securities will carry counterparty risks until the transactions have settled. All financing transactions such as borrowing or lending of funds or securities will carry counterparty risks until such borrowing or lending has terminated and the relevant collateral is returned. All deposits of securities or cash with a custodian, bank or financial institution will carry counterparty risk. Upon default by a counterparty, the Target Fund may be forced to unwind certain transactions and the Target Fund may encounter delays and difficulties with respect to court procedures in seeking recovery of the Target Fund's assets.

(18) Risks related to valuation of the Target Fund's assets

The Target Fund's assets are generally valued based on quotes provided by exchanges, brokers and other third party sources. However, these values may not reflect the actual prices which would be realised upon a sale of a particular asset. In addition, the Target Fund may hold loans or privately placed securities for which no public market exists. Valuations of assets undertaken or provided by the Target Fund will be conclusive and binding on all Shareholders (such as the Fund).

The valuation or pricing of certain asset classes, particularly hard-to-price assets such as illiquid, unlisted and unquoted securities, may result in subjective prices being applied to the Administrator's calculations of the net asset value of the Target Fund. This could materially affect the net asset value of the Target Fund, the net asset value per Participating Share and the fees paid by the Shareholders (such as the Fund), particularly if the Directors', the Investment Manager's or their third party valuation agents' judgments regarding appropriate valuations or pricing should prove incorrect.

(19) Broker-dealer insolvency

The Target Fund's assets may be held in one or more accounts maintained for the Target Fund by its broker-dealers. There is a risk that any such broker-dealers (including any of their affiliates) may become insolvent. There is a possibility that the insolvency of a broker-dealer may significantly impair the operational capabilities of the Target Fund and the Target Fund's assets. Although it is the intention of the Investment Manager to regularly monitor the financial condition of the broker-dealers, if any of the broker-dealers (or their respective affiliates) were to become insolvent under applicable laws, there is a risk that the recovery of the Target Fund's securities and other assets from such broker-dealers may become protracted and/or be of a value less than the value of the securities or assets originally entrusted to such broker-dealers.

(20) Reliance on Investment Manager

Shareholders (such as the Fund) have no right to participate in the management of the Target Fund or to make any decisions with respect to the investments to be made by the Target Fund. Consequently, they must rely on the Investment Manager with respect to the management and investment decisions of the Target Fund. In the event that Maybank Asset Management Singapore Pte. Ltd. cannot continue as investment manager, which might occur, for example, upon bankruptcy or dissolution, the Target Fund may have to be dissolved. Further, in the event that the key investment officers of the Investment Manager cease to provide their investment expertise to the Investment Manager, the quality of the investment management services provided to the Target Fund may be adversely affected. In such cases, it might not be possible to realise the full value of the Target Fund's investments.

(21) Conflicts of interest

The Directors, the Administrator, the custodian, the prime broker(s) (if appointed by the Target Fund) and the Investment Manager may from time to time act as directors, managers, administrators or custodians in relation to or otherwise be involved in other companies established by parties other than the Investment Manager that have similar objectives to those of the Target Fund. In such event should a conflict of interest arise, the Directors will endeavour to ensure that it is resolved fairly.

The Investment Manager may have a conflict of interest when allocating and/or recommending investment opportunities between the Target Fund and other clients. However, when making investments where a conflict of interest may arise, the Investment Manager will endeavour to act in a fair and equitable manner as between the Target Fund and other clients.

(22) Liquidity and realisation of investment

An investment in the Target Fund is suitable only for certain sophisticated investors (such as the Fund) who have no need for immediate liquidity in their investments. An investment in the Target Fund is a relatively illiquid investment, especially during severe market disruptions. As the redemption of the Class B Participating Shares of the Target Fund is subject to the restrictions set out in the section entitled "Redemptions" in the Placing Memorandum, an investor in the Target Fund (such as the Fund) may not be able to dispose of or realise his/her investment in the Target Fund at the time of his/her choosing.

No partial redemptions will be permitted if, immediately thereafter the value of a redeeming Shareholder's (such as the Fund) holding would be less than USD100,000 (or such other amount prescribed by the Directors from time to time either generally or in any particular case as the minimum value of the Class B Participating Shares of the Target Fund that may be held). The Class B Participating Shares of the Target Fund may not be redeemed when the calculation of the net asset value is suspended. Redemptions may be limited, if redemption requests are received for any Dealing Day aggregating more than 20% (or such other percentage as the Directors may determine) of the Class B Participating Shares of the Target Fund in issue or of all the Participating Shares in issue.

Further, the Directors do not presently intend to pay dividends or other distributions to Shareholders (such as the Fund) and the only avenue for the realisation of an investment in the Target Fund is through redemption of the Class B Participating Shares of the Target Fund or pursuant to liquidation of the Target Fund.

The Target Fund is not required to maintain sufficient cash holdings at all times to meet redemption requests from time to time. In the event that the Target Fund does not have sufficient cash to meet all redemption requests at a particular time, the Target Fund may

have to liquidate assets at an inopportune time to fund redemptions and the Target Fund may not be able to realise the full value of such investments pursuant to such liquidation.

*Note:*

*Investors should note that if the Fund's redemption request is postponed or suspended by the Target Fund, there may be a delay in the payment of proceeds to the Unit Holders and the Manager may also suspend the purchase and/or redemption of Units of the Fund as long as the Target Fund is suspended. Please refer to section 8.2 "Redemption of Units" for more information.*

(23) Suspension of redemptions\*

The redemption of the Class B Participating Shares of the Target Fund by Shareholders (such as the Fund) may be suspended by the Directors at any time in the event that certain circumstances, such as the restriction or suspension of dealings on any exchange, arise. For further details, please see the section entitled "Suspension of the Issue and Redemption of the Class B Participating Shares of the Target Fund " in Part II of the Placing Memorandum.

In such event, the Directors shall instruct the Administrator to cease accepting any redemption requests and may, at their discretion, cancel any redemption requests received prior to such suspension being imposed, and Shareholders (such as the Fund) may be required to re-submit their redemption requests upon the lifting of the suspension.

*Note:*

*\* Please refer to Section 4.11(b) Redemption of Shares of the Target Fund for details relating to the suspension of the issue and redemption of the Class B Participating Shares of the Target Fund.*

(24) Compulsory redemption of the Class B Participating Shares of the Target Fund\*

The Directors may in their sole discretion, redeem some or all of the Class B Participating Shares of the Target Fund held by a Shareholder (such as the Fund) with or without cause, at any time upon prior written notice. Payment will be made in accordance with the procedure applicable to the Class B Participating Shares of the Target Fund that are redeemed at the request of the Shareholder (such as the Fund).

Such redemptions may occur at net asset value(s) that are not optimal for an investor (such as the Fund), relative to the net asset value(s) at which an investor (such as the Fund) subscribes into the Target Fund.

*Note:*

*\* Please refer to Section 4.11(c) Redemption of Shares of the Target Fund for details relating to the compulsory redemption of the Class B Participating Shares of the Target Fund.*

(25) Limitation of liability

The Target Fund's auditors may severely limit their liability under the terms of their engagement, which will limit the Target Fund's rights of possible recourse against the auditors.

(26) Possible indemnification obligations

The Target Fund is generally obliged to indemnify the Administrator, the custodian, the Investment Manager and possibly other parties under the various agreements entered into with such persons against any liability they or their respective affiliates may incur in connection with their relationship with the Target Fund.

(27) Possible adverse tax consequences

No assurance may be given that the manner in which the Target Fund will be managed and operated, or that the composition of its direct and indirect portfolio investments, will be tax efficient for any particular Shareholder (such as the Fund). The Target Fund does not intend to provide its Shareholders (such as the Fund) with information regarding the percentage ownership of its Participating Shares held by residents of any country. The Target Fund's books and records might be audited by the tax authorities of countries where the Target Fund's portfolio is managed, or where a portion of its direct and indirect portfolio investments are made, or where a particular Shareholder (such as the Fund) reside. Any such audits could subject the Target Fund to tax, interest and penalties, as well as incremental accounting and legal expenses. Should the Target Fund be required to incur additional taxes or expenses as a result of the subscriptions made by any Shareholder (such as the Fund), or become subject to any record keeping or reporting obligations as a result of permitting any person to remain or be admitted as a Shareholder (such as the Fund) of the Target Fund, the Target Fund will seek reimbursement of the costs of such taxes, expenses or obligations from such person.

(28) Cross class liabilities

Although the Constitution requires the establishment of separate investment accounts for the Class B Participating Shares of the Target Fund and the attribution of assets and liabilities to the relevant investment account, if the liabilities of the Class B Participating Shares of the Target Fund exceed its assets, creditors of the Target Fund may have recourse to the assets attributable to the other classes of Participating Shares. As at the date of the Placing Memorandum, the Directors are not aware of any such existing or contingent liability.

(29) Consequences for Investors as a result of FATCA

The Target Fund may take such action as it considers necessary in relation to an investor's holding or redemption proceeds, as a result of relevant legislation and regulations, including but not limited to, FATCA, as further detailed in the section of the Placing Memorandum entitled "Taxation". Such actions may include, but are not limited to the following:

1. The disclosure by the Target Fund, the Investment Manager, the Administrator or such other service provider or delegate of the Target Fund, of certain information relating to an investor to the Cayman Islands Tax Information Authority or its delegate or equivalent authority and any other foreign government body as required by FATCA. Such information may include, without limitation, confidential information such as financial information concerning an investor's investment in the Target Fund, and any information relating to any shareholders, principals, partners, beneficial owners (direct or indirect) or controlling persons (direct or indirect) of such investor.
2. The Fund may compulsorily redeem any Participating Shares held by an investor in accordance with the terms of the Placing Memorandum and may deduct relevant amounts from a recalcitrant investor so that any withholding tax payable by the Fund or any related costs, debts, expenses, obligations or liabilities (whether internal or external to the Fund) are recovered from such investor(s) whose action or inaction (directly or indirectly) gave rise or contributed to such taxes, costs or liabilities. Failure by an investor to assist the Fund in meeting its obligations pursuant to FATCA may therefore result in pecuniary loss to such investor.

Investors are advised to read and understand the contents of the Placing Memorandum. In the event of any discrepancy in the risks factors of the Target Fund as set out herein as compared to the risk factors of the Target Fund as set out in the Placing Memorandum, the disclosure stated in the Placing Memorandum shall prevail. Investors may obtain a copy of the Placing Memorandum from the Manager.

#### 5.4 Risk Management Strategies and Techniques

Risk management is an integral part of the Manager's investment management process. In order to ensure that the Fund is managed in accordance with the Deed and the Guidelines, proper procedures and parameters are in place to manage the risks that are applicable to the Fund. Regular monitoring, reviews and reporting are also undertaken by the Manager to ensure that the Fund's investment objective is met.

**It is important to note that events affecting the investments cannot always be foreseen. Therefore, it is not always possible to protect investments against all risks. Please note that the returns of the Fund are not guaranteed.**

**The investments of the Fund carry risks and investors are recommended to read the whole Info Memo to assess the risks of the Fund.**

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



## (6) FEES, CHARGES AND EXPENSES

Due to multiple Classes in this Fund, the **indirect** fees and/or charges for the Fund are apportioned based on the size of the Class relative to the whole Fund. This means that the multi-class ratio (“**MCR**”) 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. As an illustration, assuming there is an indirect fee chargeable to the Fund of RM100 and the size of RM Class and USD Class over the size of the Fund is 60%, 40% respectively, the ratio of the apportionment based on the percentage will be 60:40, 60% being borne by RM Class and 40% being borne by USD Class.

Please refer to the illustration in Section 7.2 below for better clarity.

### Fees and Charges

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

#### 6.1 Sales Charge

A sales charge may be imposed by us on the purchase of Units in each Class of the Fund.

The sales charge shall be a percentage of the NAV per Unit of each Class and is disclosed as follows:

RM Class	USD Class
Up to 3.00%	Up to 3.00%

#### 6.2 Redemption Charge

The Manager will not impose a redemption charge.

#### 6.3 Transfer Fee

RM Class	USD Class
RM10.00 per transfer	USD10.00 per transfer

#### 6.4 Switching Fee

RM Class	USD Class
RM10.00 per switch	USD10.00 per switch

*Notes:*

(1) *The Manager reserves the right to waive the switching fee.*

(2) 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.

### Fees and Expenses

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

#### 6.5 Management Fee

RM Class	USD Class
Up to 1.80% per annum of the NAV of the RM Class	Up to 1.50% per annum of the NAV of the USD Class

*Note: Currently, the Target Fund charges a management fee of 1.50% per annum of the net asset value of the Target Fund. There will be no double charging of management fee. The management fee charged by the Target Fund will be paid from the portion of the management fee received by the Manager.*

Please note that the example below is for illustration only:

Assuming the NAV of the RM Class (before deducting the management fee and trustee fee) for a particular day is RM30,000,000.00 with a management fee of 1.80% of the NAV of the RM Class, then the accrued management fee for that day would be:-

$$\frac{\text{RM}30,000,000.00 \times 1.80\%}{365 \text{ days}} = \text{RM}1,479.45 \text{ per day}$$

A GST of 0% will be applicable to the management fee.

GST applicable to the management fee for that day  
 = management fee for that day x GST  
 = RM1,479.45 x 0%  
 = RM0.00 (rounded to 2 decimal points)

Management fee for that day charged by the RM Class inclusive of GST  
 = RM1,479.45 + RM0.00  
 = **RM1,479.45**

The management fee for each Class is calculated and accrued weekly in the Fund's base currency, RM, and paid monthly to us.

#### 6.6 Trustee Fee

The Trustee is entitled to a fee of up to 0.018% per annum of the NAV of the Fund, subject to a minimum fee of RM6,000.00 per annum. The trustee fee is calculated and accrued weekly and payable monthly to the Trustee.

Please note that the example below is for illustration only:

Assuming that the NAV of the Fund is RM30,000,000.00 for the day, the accrued trustee fee for that day would be:-

$$\frac{\text{RM30,000,000.00} \times 0.018\%}{365 \text{ days}} = \text{RM14.79 per day}$$

A GST of 0% will be applicable to the trustee fee.

GST applicable to the trustee fee for that day  
 = trustee fee for that day x GST  
 = RM14.79 x 0%  
 = RM0.00 (rounded to 2 decimal points)

Trustee fee for that day charged by the Fund inclusive of GST  
 = RM14.79 + RM0.00  
 = **RM14.79**

## 6.7 Fund Expenses

Only expenses directly related and necessary to the operation and administration of the Fund as provided in the Deed may be paid out of the Fund. These include the following:

- a) Tax and other duties charged on the Fund by the government and other authorities;
- b) The fees and other expenses properly incurred by the auditor appointed for the Fund;
- c) Fees for the valuation of any investments of the Fund by independent valuers;
- d) Cost incurred for the modification of the Deed of the Fund other than those for the benefit of the Manager or Trustee;
- e) Costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;
- f) Costs, fees and expenses incurred in connection with the printing and postage for the annual and quarterly reports, tax certificates, reinvestment statements and other services associated with the administration of the Fund; and
- g) Any other fees/expenses permitted in the Deed.

These costs shall be factored into the computation of the NAV.

***Note: All fees, charges and expenses stated herein are exclusive of GST. You and/or the Fund (as the case may be) are responsible to pay the applicable amount of GST in addition to the fees, charges and expenses stated herein.***

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

## (7) TRANSACTION INFORMATION

### 7.1 Valuation Point

The Fund will be valued at 5.30 p.m. on the last Business Day of the week. The valuation of the Fund will be carried out in a fair and accurate manner.

For example, if the Manager receives an application for investment or redemption of Units on Monday (T), the valuation for the Fund will be carried out on the last Business Day of the week (T + 4).

The NAV per Unit will be available at 6.30 p.m. on the following week on Friday (T + 11). However, if Friday is not a Business Day, the NAV per Unit will be available at 6.30 p.m. on the subsequent Business Day. The Unit price of the Fund would also be made available upon request by the Unit Holders.

### 7.2 Computation of NAV

The valuation of the Fund will be done in the Fund's base currency, RM. All assets and cash denominated in currencies other than RM will be translated into RM for valuation purposes.

The NAV of the Fund is determined by deducting the value of the Fund's liabilities from the value of the Fund's assets, as at the valuation point. For the purpose of computing the management fee and trustee fee, the NAV of the Fund should be inclusive of the management fee and the trustee fee for the relevant week.

An illustration on how NAV per Unit is calculated (on a Business Day) is as follows:

	Fund (RM)	RM Class (RM)	USD Class (RM)
Value of the Fund/Class	101,500,000.00	60,900,000.00	40,600,000.00
<b>Multi-class ratio<sup>^</sup></b>	<b>100%</b>	<b>60%</b>	<b>40%</b>
Add : Other assets (including cash & income)	200,000.00	120,000.00	80,000.00
Less : Liabilities	100,000.00	60,000.00	40,000.00
NAV before deducting management fee and trustee fee for the day	101,600,000.00	60,960,000.00	40,640,000.00
Less : Management fee for the day	4,676.39	(RM60,960,000 X 1.80% / 365 days) 3,006.25	(RM40,640,000 X 1.50% / 365 days) 1,670.14
Less : GST on management fee for the day	0.00	(RM3,006.25 x 0%) 0.00	(RM1,670.14 x 0%) 0.00

Less : Trustee fee for the day	50.10	(RM60,960,000 X 0.018% / 365 days) 30.06	(RM40,640,000 X 0.018% / 365 days) 20.04
Less : GST on trustee fee for the day	0.00	(RM29.93 x 0%) 0.00	(RM20.04 x 0%) 0.00
<b>Total NAV</b>	<b>101,595,273.51</b>	<b>60,956,963.69</b>	<b>40,638,309.82</b>

*^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 the NAV of the Fund attributable to a Class divided by the number of Units in circulation for that particular Class, at the same valuation point at the last Business Day of each week.

Assuming there are 85,700,000 Units of the Fund in circulation at the point of valuation, the NAV per Unit of each Class of the Fund shall therefore be calculated as follows:

	Fund (RM)	RM Class (RM)	USD Class (RM)
NAV	101,595,273.51	60,956,963.69	40,638,309.82
Divide: Units in circulation	85,700,000	59,700,000	26,000,000
NAV per Unit		RM 1.0211	1.5630
Conversion to USD (at 4.00 exchange rate)			USD 0.3908

*Note : The NAV per Unit will be rounded to the nearest 4 decimal places for publication purposes.*

### 7.3 Pricing of Units

#### Forward Pricing

The selling and redemption transactions are executed at Forward Pricing.

#### Selling Price

Based on the single pricing regime, the Selling Price per Unit of a Class is the NAV per Unit of that particular Class of the Fund. Any sales charge payable by the Unit Holder would be calculated as a percentage of the Selling Price per Unit of the Class.

##### (a) During Initial Offer Period

During the Initial Offer Period, the Selling Price per Unit for USD Class shall be USD1.0000 which is the initial offer price. A sales charge of 3.00% will be computed separately based on the investment amount.

#### *Illustration:*

If a Unit Holder purchased 5,000 Units of USD Class during the Initial Offer Period, total amount payable by the Unit Holder are as follows:

Investment amount (5,000 Units X USD1.0000)	=	USD 5,000.00
Add: Sales charge @ 3.00%	=	USD 150.00
Add: GST on sales charge @ 0.00%	=	USD 0.00
Total amount paid by the Unit Holder	=	<u>USD 5,150.00</u>

As the initial offer period for RM Class has ended, the Selling Price per Unit shall be based on the NAV per Unit of the RM Class.

(b) After Initial Offer Period

After the Initial Offer Period, the Selling Price per Unit of USD Class shall be the NAV of a Unit of USD Class as at the next valuation point after an application of Unit is received by the Manager. A sales charge of 3.00% will be computed separately based on the investment amount.

*Illustration:*

If a Unit Holder makes an investment of USD1,000.00 at the Selling Price per Unit of USD1.0229 (which is the USD Class's NAV of a Unit as at the next valuation point), total amount payable by the Unit Holder are as follows:

Investment amount	=	USD 1,000.00
Add: sales charge @ 3.00%	=	USD 30.00
Add: GST on sales charge @ 0.00%	=	USD 0.00
Total amount paid by the Unit Holder	=	<u>USD 1,030.00</u>

The Unit Holder will be allotted with Units of USD Class calculated as follows:

Units computed is	$\frac{\text{USD } 1,000.00}{\text{USD } 1.0229}$	=	977.6127 Units
calculated as		=	977.61 Units*

\*Units computed are rounded to the nearest 2 decimal places.

**Redemption Price**

The Redemption Price of a Unit of the Fund is the NAV per Unit of the Fund as at the next valuation point after the redemption request is received by the Manager.

(a) During Initial Offer Period

During the Initial Offer Period, the Redemption Price for USD Class shall be USD1.0000 which is the initial offer price.

As the initial offer period for RM Class has ended, the Redemption Price per Unit shall be based on the NAV per Unit of the RM Class.

(b) After Initial Offer Period

After the Initial Offer Period, the Redemption Price for USD Class shall be the NAV per Unit as at the next valuation point after the redemption request is received by the Manager.

*Illustration:*

If a Unit Holder redeems 5,000 Units any time after the Initial Offer Period, assuming the NAV per Unit for USD Class as at the next valuation point is USD1.0229, the Unit Holder would receive redemption proceeds of USD5,114.50 as follows:

$$\text{Redemption proceeds: } 5,000 \text{ Units} \times \text{USD } 1.0229 = \text{USD } 5,114.50$$

#### 7.4 Error in Pricing

Subject to any relevant law, if there is an error in the valuation and/or pricing of the Fund and/or NAV per Unit of the Fund, the Manager will take immediate remedial action to correct the error. If the error is, at or above the significant threshold of 0.5% of the NAV per Unit, rectification shall, where necessary, extend to the reimbursements of money as follows:

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

The Manager retains the discretion whether or not to reimburse if the error is below 0.5% of the NAV per Unit or where the total impact on an individual account is less than RM10.00 in absolute amount as the reprocessing costs might be greater than the adjustment amount.

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

## (8) TRANSACTION DETAILS

### 8.1 Making an Investment

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

Class of Units	Minimum Initial Investment <sup>^^</sup>	Minimum Additional Investment <sup>^^</sup>
RM Class	RM20,000.00	RM5,000.00
USD Class	USD 5,000	USD 1,000

<sup>^^</sup> *The Manager may change the minimum initial investment and minimum additional investment amount to any other amount as it decides from time to time.*

#### Processing of application

For any purchase application received via fax notification by the Manager as well as cleared funds received **on or before the cut off time of 4.00 p.m. on a Monday**, the Units would be created based on the NAV per Unit of the respective Classes as at the next valuation point after the request for purchase of Units is received and accepted by the Manager. Any application received or deemed to have been received after this cut-off time would be considered as being transacted on the following Monday.

### 8.2 Redemption of Units

For any redemption application received or deemed to have been received via fax notification by the Manager **on or before 4.00 p.m. on a Monday**, the Units would be cancelled based on the NAV per Unit of the respective Classes as at the next valuation point after the request for redemption of Units is received and accepted by the Manager. Any redemption application received or deemed to have been received after this cut-off time would be considered as being transacted on the following Monday.

#### Minimum redemption and restriction on frequency of redemption

There is no restriction on the number of times and Units a Unit Holder can redeem for the Classes of Units.

For partial redemption, the minimum balance of Units remaining in the respective Classes must always be as follows:

Class of Units	Minimum balance of Units <sup>^^</sup>
RM Class	20,000 Units
USD Class	5,000 Units

<sup>^^</sup> *The Manager may change the minimum balance of Units to any other amount as it decides from time to time.*

If the remaining balance of Units is less than the above minimum balance of Units after to a redemption request, the Manager has the right to redeem the entire investment/close



the account of any Unit Holder and forward all the proceeds to the respective Unit Holder without prior notice.

#### Payment of redemption proceeds

Redemption proceeds will be paid within 15 calendar days from the Manager's receipt of a redemption request before the cut-off time of 4.00 p.m. on a Monday. In the event the payment day is not a Business Day, the redemption proceeds will be paid to Unit Holders on the following Business Day.

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

Unit Holders should note that the time taken to pay the redemption proceeds to the Unit Holders (i.e. 15 calendar days) may be extended or delayed if:

- (i) the Target Fund is suspended\*; or
- (ii) the Target Fund receives redemption requests aggregating to more than 20% (or such other percentage as the Directors may determine) of the Class B Participating Shares of the Target Fund in issue or of all the Participating Shares in issue.

Should any of the above events occur, the Manager may not be able to pay the redemption proceeds to the Unit Holders within 15 calendar days. However, the Manager will pay the redemption proceeds to the Unit Holders within 15 calendar days after the receipt of the redemption proceeds by the Manager from the Target Fund.

#### *Note:*

*\*During the period when the Target Fund is suspended, the Investment Manager will not accept any subscriptions and/or redemptions and the calculation of the Target Fund's net asset value will be suspended. In accordance with the provisions in the Deed, the Manager may also suspend the purchase and/or redemption of Units of the Fund as long as the Target Fund is suspended.*

### **8.3 Cut-Off Time for Purchase and Redemption of Units**

The cut-off time for purchase and redemption of Units shall be at **4.00 p.m.** on Monday every week. If Monday is not a Business Day, the cut-off time for purchase and redemption of Units shall be at **4.00 p.m.** on the preceding Business Day (i.e. last Friday which is a Business Day).

Any applications received before the cut-off time on a Monday of the relevant week will be processed based on the Forward Pricing of the Fund.

Any applications received after the cut-off time on a Monday of the relevant week will be treated as having been received the following week on Monday and will be processed the following week on Monday based on the next Forward Pricing of the Fund.

### **8.4 Transfer Ownership of Units**

Transfer of ownership of Units is allowed for this Fund.

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.

## 8.5 Switching between Funds

You 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 net asset value per unit of the fund to be switched from and the prevailing net asset value per unit of the intended fund to be switched to on a Business Day when the switching request is received and accepted by us, subject to availability and any terms and conditions imposed by the intended fund, if any.

There is no restriction on the frequency of switching.

Switching is treated as a withdrawal from one (1) fund and an investment into another fund. If you switch from a fund with a lower sales charge, to a fund with a higher sales charge, you need to pay the difference in sales charge between the sales charges of these two (2) funds. If you switch from a fund with higher sales charge to a fund with a lower sales charge, you do not need to pay the difference in sales charge between these funds.

For example:-

### Scenario 1

If you invest in a fund with no sales charge and now wish to switch to another fund which has a sales charge of 1.00% on the net asset value per unit, you will be charged the difference in sales charge of 1.00% on the net asset value per unit of the fund being switched into.

### Scenario 2

If you invest in a fund with a sales charge of 1.00% on the net asset value per unit and now wish to switch to another fund which has no sales charge, you will not be charged any sales charge.

Any switching request made **on or before the cut off time of 4.00 p.m. on a Monday** will be made at the NAV per Unit of the Class to be switched from and the prevailing net asset value per unit of the intended fund to be switched to when the switching request is received and accepted by the Manager, subject to availability and any terms and conditions imposed by the intended fund, if any.

Any switching request received or deemed to have been received after this cut-off time would be considered as being transacted on the following Monday.

**Investors who invest through an institutional unit trust adviser, please note that different cut off time may be imposed by the institutional unit trust adviser.**

**Investors should also take note on the definition of Business Day.**

## 8.6 Income Distribution Policy and Distribution Mode

### Income distribution policy

The Fund is not expected to distribute income. However, incidental distribution can be declared whenever appropriate.

### Distribution mode

Distribution, if any, would be re-invested or paid to Unit Holders via cheque or credited into the Unit Holders' bank accounts. Unit Holders are required to indicate their

preference in the unit application form upon purchase. In the event that there is no indication of Unit Holder's preference in the unit application form, the Manager shall re-invest all the distributions received by the Unit Holders. There is no incidental cost associated with the re-investment.

For the purpose of calculation, any amount invested by a Unit Holder at any time, shall be entitled for distribution whereby the difference in days and price will be calculated and accounted via distribution equalization.

Distribution will be re-invested or paid to the Unit Holders within 14 Business Days from the ex-distribution date (the "income payment date"). Reinvestment of Units will be based on the NAV per Unit on the income payment date.

The source of income, if any, for the purpose of distribution shall be derived from the realized income and/or gain.

### 8.7 Notice of Cooling-off Period

A cooling-off right refers to the right of the Unit Holder to obtain a refund of his investment in the Fund if he/she so requests within the cooling-off period. A cooling-off right is only given to an individual investor, **other than those listed below**, who is investing in any of the Manager's funds **for the first time**:

- (i) a staff of the Manager; and
- (ii) persons registered with a body approved by the SC to deal in unit trusts.

The cooling-off period shall be for a total of 6 Business Days commencing from the date the application for Units is received by the Manager.

The refund for every Unit held by the investor pursuant to the exercise of his/her cooling-off right shall be the sum of:

- (a) the NAV per Unit on the day the Units were first purchased; and
- (b) the sales charge per Unit originally imposed on the day the Units were first purchased.

Unit Holders shall be refunded within 10 days from receipt of the cooling-off application.

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

### 8.8 Unclaimed Monies

Any monies **other than** unclaimed income distribution payable to Unit Holders which remain unclaimed for 1 year will be handled in accordance with the requirements of the Unclaimed Moneys Act, 1965.

In the event any income distribution payable to Unit Holders in the form of cheques is not presented for payment by the date which falls 6 months from the date of issuance of the said cheques, the Unit Holder shall be deemed to have authorised the Manager to reinvest the moneys represented by the cheques in additional Units at the NAV per Unit at such date as may be determined by the Manager provided always that the Unit Holder still has an account with the Manager.

## 8.9 Anti-Money Laundering Policies and Procedures

The Manager has established this set of policies and procedures to prevent money laundering activities and to report transactions if it appears to be suspicious, in compliance with the provisions of the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act, 2001 (“AMLA”). In view of these, the Manager has the duty to ensure the following are strictly adhered to:-

- i) Compliance with laws: The Manager shall ensure that laws and regulations are adhered to, the business is conducted in conformity with high ethical standards and that service is not provided where there is good reason to suspect that the transactions are associated with money laundering activities;
- ii) Co-operation with law enforcement agencies: The Manager shall co-operate fully with law enforcement agencies. This includes taking appropriate measures such as disclosure of information by us to the Financial Intelligence and Enforcement Department of Bank Negara Malaysia;
- iii) Policies, procedures and training: The Manager shall adopt policies consistent with the principles set out under the AMLA and ensure that the staff is informed of these policies and provide adequate training to such staff on matter provided under the AMLA; and
- iv) Know your customer: The Manager shall obtain satisfactory evidence of the customer’s identity and have effective procedure for verifying the bona fides of the customer.

## 8.10 Goods and Services Tax

All fees and charges payable to the Manager and the Trustee are subject to goods and services tax (“GST”) as may be imposed by the government or other authorities from time to time. Where GST is applicable to the extent that services is provided to the Fund and/or the Unit Holders, the amount of GST payable on any related fee, charge and/or expense will be borne by the Unit Holder and/or the Fund, as the case may be, in addition to the applicable fees, charges and expenses stated in the Info Memo.

## (9) THE MANAGER

### 9.1 Background Information

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 Act.

As at 15 April 2018, 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.

### 9.2 Functions, Duties and Responsibilities of the Manager

Our general functions, duties and responsibilities include, but not limited to, the following:

- carrying out and conducting business in a proper and diligent manner and be responsible for daily sales and management of the Fund and the general administration of the Fund in accordance with the Deed, the Act and the relevant guidelines and other applicable laws at all times and acceptable and efficacious business practices within the industry;
- observing high standards of integrity and fair dealing in managing the Fund to the best and exclusive interest of the Unit Holders; and
- acting with due care, skill and diligence in managing the Fund and effectively employ the resources and procedures necessary for the proper performance of the Fund.

### 9.3 Board of Directors of the Manager

We have an experienced board of directors with background in the financial industry. Our business and affairs shall be managed under the direction and oversight of the board of directors. Board meetings are held at least four (4) times annually or more frequently should the circumstances require.

#### Board of Directors

Dr Hasnita binti Dato’ Hashim (chairman/ independent non-executive director)  
Goh Ching Yin (independent non-executive director)  
Badrul Hisyam bin Abu Bakar (non-independent non-executive director)  
Ahmad Najib bin Nazlan (non-independent executive director/ chief executive)

### 9.4 Designated Person for Fund Management Function

The profile of the designated fund manager of the Fund is as follows:

**Eeh Chong Ban**

Eeh Chong Ban has been in the fixed income industry for over 14 years, with wide ranging experience from debt origination, macro research, credit analysis and fund management. During his tenure, he gained valuable experience from different established institutions, which includes investment banks, pension fund, commercial banks and fund management company. His last position was Head of Credit Analytics, Malayan Banking Berhad, where he led a regional credit research team to oversee Singapore, Philippines, Indonesia, China and Hong Kong in addition to the Malaysian corporate bond market. He graduated with Bachelor of Finance from La Trobe University and is a Chartered Financial Analyst charterholder and Financial Risk Manager holder.

## **(10) THE TRUSTEE**

### **10.1 Background of the Trustee**

SCBMB Trustee Berhad (“STB”), a company incorporated in Malaysia under the Companies Act 1965 on 13 June 2012 and registered as a trust company under the Trust Companies Act 1949. Its business address is at Level 13A, Menara Standard Chartered, 30 Jalan Sultan Ismail, 50250 Kuala Lumpur.

STB’s trustee services are supported by Standard Chartered Bank Malaysia Berhad (“SCBMB”), a subsidiary of Standard Chartered PLC, financially and for other various functions including but not limited to compliance, legal, operational risks and internal audit.

### **10.2 Board of Directors**

Prasad A/L S Vijayasundram (Chief Executive Officer)  
Arulnathan A/L M Michael Dass  
Mabel Lau Kit Cheng

### **10.3 Experience in Trustee Business**

STB has been registered and approved by the SC on 18 February 2013 to act as trustee for unit trust schemes approved or authorized under the Capital Markets and Services Act 2007. STB has suitably qualified and experienced staff in the administration of unit trust funds who have sound knowledge of all relevant laws. STB is the appointed trustee for eleven (11) wholesale funds, ten (10) unit trust funds and appointed custodian for eight (8) private mandate funds as at 15 April 2018.

### **10.4 Trustee’s Statement of Responsibility**

The Trustee has given its willingness to assume the position as trustee of the Fund and all the obligations in accordance with the Deed, all relevant laws and all relevant guidelines.

### **10.5 Trustee’s Duties and Responsibilities**

The Trustee’s main functions are to act as trustee and custodian of the assets of the Fund and to safeguard the interest of Unit Holders of the Fund. In performing these functions, the Trustee has to exercise due care and vigilance and is required to act in accordance with the provisions of the Deed, the laws and all relevant guidelines.

The Trustee also assume an oversight function on the management company by ensuring that the management company performs its duties and obligations in accordance with the provisions of the Deed, the laws and all relevant guidelines.

## 10.6 Trustee's Disclosure of Material Litigation

As at 15 April 2018, the Trustee is not engaged in any material litigation and arbitrations, including those pending or threatened, and any fact likely to give rise to any proceeding which might materially affect the business/financial position of the Trustee or any of its delegates.

## 10.7 Trustee's Delegate

The Trustee has appointed Standard Chartered Bank Malaysia Berhad (SCBMB) as custodian of the quoted and unquoted assets of the Fund. The custodian provides custody services to domestic, foreign, retail and institutional investors. The assets are registered in the name of the Trustee to the order of the Fund and held through the custodian's wholly owned subsidiary and nominee company Cartaban Nominees (Tempatan) Sdn Bhd.

SCBMB was incorporated on 29 February 1984 in Malaysia under the Companies Act 1965 as a public limited company and is a 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 the Financial Services Act 2013). SCBMB has been providing custody services for more than twenty (20) years and has been providing sub-custody services to local investors in Malaysia since 1995.

The roles and duties of SCBMB as the trustee's delegate inter alia are as follows:

1. to act as custodian for the local and selected cross-border investment of the fund(s) and to hold in safekeeping the assets of the fund(s).
2. to provide corporate action information or entitlements arising from the underlying assets and to provide regular reporting on the activities of the invested portfolios
3. to maintain proper records on the assets held to reflect the ownership of the assets belong to the respective client.
4. to collect and receive for the account of the clients all payments and distribution in respect of the assets held.

The custodian acts only in accordance with instructions from the Trustee.



## (11) SALIENT TERMS OF THE DEED

### 11.1 Unit Holders' Rights and Liabilities

#### Unit Holders' Rights

A Unit Holder has the right, amongst others:

1. to receive distributions of income (if any);
2. to participate in any increase in the value of the Units;
3. to call for Unit Holders' meetings and to vote for the removal of the Trustee through a special resolution;
4. to receive annual and quarterly reports on that Fund; and
5. to enjoy such other rights and privileges as are provided for in the Deed.

No Unit Holder shall be entitled to require the transfer to him of any of the investments or assets of the Fund 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 investments and assets.

#### Unit Holders' Liabilities

1. No Unit Holder is liable for any amount in excess of the purchase price paid for the Units as determined pursuant to the Deed at the time the Units were purchased.
2. 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 assets of the Fund, and any right of indemnity of the Manager and/or the Trustee shall be limited to recourse to the Fund.

### 11.2 Termination of the Fund and a Class

#### Termination of the Fund

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

Notwithstanding the above, the Manager may also, in its sole opinion and without first obtaining the consent of the Unit Holders, terminate the trust and wind up the Fund in the event the NAV of the Fund falls below USD100,000 (or its equivalent in RM) or where the Manager determines that it is in the best interests of the Unit Holders.

Upon the termination of the Fund by the Manager, the Manager shall as soon as practicable, notify the existing Unit Holders in writing of the following options:

- (a) to receive the net cash proceeds derived from the sale of all the investment and assets of the Fund 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; or

- (b) to switch to any other funds managed by the Manager upon such terms and conditions as shall be set out in the written notification; or
- (c) to choose any other alternative as may be proposed by the Manager.

#### Termination of a Class

The Manager may terminate a particular class of Units via the passing of a Special Resolution by the Unit Holders of such class of Units 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 of Units if the termination of that class of Units does not prejudice the interests of Unit Holders of any other class of Units. The termination of a class of Units shall not affect the continuity of any other class of Units of the Fund.

### **11.3 Power to Call for a Meeting**

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 and/or the Guidelines.

The Unit Holders may apply to 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 of the Fund or a particular Class (as the case may be), 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, in which case a poll shall be taken. On a show of hands every Unit Holder who is present or by proxy shall have one vote. Upon a 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 for a meeting of Unit Holders of the Fund is 5 Unit Holders, whether present in person or by proxy, provided always that if the Fund or the Class has 5 or less Unit Holders, the quorum required for a meeting of the Unit Holders of the Fund or the Class shall be 2 Unit Holders, whether present in person or by proxy; if the meeting has been convened for the purpose of voting on a special resolution, the Unit Holders present in person or by proxy must hold in aggregate at least 25% of the Units in circulation of the Fund or the Class at the time of the meeting.

**Please be advised that the Manager only recognises the rights attached to a registered Unit Holder. If Units are purchased through an institutional unit trust adviser or using a nominee, the Units may not be registered in the name of the investor in the Manager's register of Unit Holders, and thus not a registered Unit Holder.**

**For full details of the rights of a registered Unit Holder of the Fund or a Class, please refer to the Deed.**

## (12) COMMUNICATION WITH UNIT HOLDERS

### 12.1 Statement of Accounts

A Unit Holder's statement showing details of the amount invested in the Fund shall be made available to the Unit Holders on a monthly basis, 21 days after every month's end.

### 12.2 Unit Price

Unit Holders will be able to obtain the Unit price of the Fund from [www.maybank2u.com.my](http://www.maybank2u.com.my).

### 12.3 Financial Reports

The Manager will provide Unit Holders with an annual report within two (2) months of the Fund's financial year-end and quarterly reports within two (2) months of the end of the period covered. A financial statement audited by the Fund's appointed auditors will be included in the annual report. The Trustee will prepare a report to Unit Holders in the annual report stating its opinion on the conduct of the Manager, in particular whether the Manager had managed the Fund in accordance with the limitation on its investment powers as set out in the Deed and whether the Manager had acted in accordance with the Deed and Guidelines.

The quarterly and annual reports shall provide Unit Holders with a regular snapshot of the key risk factors faced by the Fund and the Fund's investment outlook for that reporting period. They are to contain, inter alia, the Fund's financial performance, market outlook, changes in key investment team, details on portfolio exposure and information on the Fund performance and volatility, whichever is applicable.

### 12.4 Customer Information Service

Unit Holders can seek assistance on any issue relating to the Fund, from the Manager's client servicing personnel at Maybank AM's office at 03 - 2297 7888 (ext. 7806/ 7923) 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:**

- 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, 6th 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, Securities Commission Malaysia 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.

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