

# **INFORMATION MEMORANDUM**

This Information Memorandum is dated 18 November 2025

## **OPUS LIFE SETTLEMENT FUND 1**

(constituted on 7 November 2025)

**Manager** : Opus Asset Management Sdn Bhd  
(Registration No. 199601042272 (414625-T))

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

**INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS INFORMATION MEMORANDUM. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.**

**UNITS OF THE FUND IS ONLY OFFERED FOR SALE TO SOPHISTICATED INVESTORS ONLY.**

**SOPHISTICATED INVESTORS THAT RECEIVE A COPY OF THIS INFORMATION MEMORANDUM OR ANY INFORMATION REGARDING THE TARGET FUND SHALL UNDERTAKE NOT TO CIRCULATE THIS INFORMATION MEMORANDUM TO ANY PERSON OR DISCLOSE ANY SUCH INFORMATION TO ANY OTHER PERSON.**

**FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE “RISK FACTORS” COMMENCING ON PAGE 18.**

**Responsibility Statement**

This Information Memorandum has been seen and approved by the directors of Opus 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 in this Information Memorandum misleading.

**Statements of Disclaimer**

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

**The Securities Commission Malaysia has not authorised or recognised the Opus Life Settlement Fund 1 and a copy of this Information Memorandum has not been registered with the Securities Commission Malaysia.**

**The lodgement of this Information Memorandum should not be taken to indicate that the Securities Commission Malaysia recommends the Opus Life Settlement Fund 1 or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Information Memorandum.**

**The Securities Commission Malaysia is not liable for any non-disclosure on the part of Opus Asset Management Sdn Bhd responsible for the Opus Life Settlement Fund 1 and takes no responsibility for the contents in this Information Memorandum. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Information Memorandum, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.**

**SOPHISTICATED INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IF SOPHISTICATED INVESTORS ARE UNABLE TO MAKE THEIR OWN EVALUATION, THEY ARE ADVISED TO CONSULT PROFESSIONAL ADVISERS.**

**Additional Statements**

Sophisticated Investors should note that they may seek recourse under the Capital Markets and Services Act 2007 for breaches of securities laws including any statement in this Information Memorandum that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Information Memorandum or the conduct of any other person in relation to the Opus Life Settlement Fund 1.

As the underlying investments of Opus Life Settlement Fund 1 are not actively traded, investors are warned that under such circumstances, they may face difficulty in redeeming their investments.

Sophisticated Investors should note that Opus Life Settlement Fund 1 is a Malaysia-domiciled fund and this Information Memorandum is not intended to and will not be issued and distributed in any country or jurisdiction other than Malaysia ("Foreign Jurisdiction"). Consequently, no representation has been and will be made as to its compliance with the laws of any Foreign Jurisdiction. Accordingly, no offer or invitation to subscribe or purchase Units of the Fund to which this Information Memorandum relates may be made in any Foreign Jurisdiction or under any circumstances where such action is unauthorised.

## Disclosure of Information

For the purposes of the Personal Data Protection Act 2010 of Malaysia ("PDPA") including all amendments thereto and all regulations, rules and guidelines issued in connection therewith, each investor consents and acknowledges that all personal data provided by the investor to the Manager, the Trustee or any delegate, agent or distributor appointed by the Manager or the Trustee (including but not limited to the administrator, custodian, sub-custodians, registrar and any other third party service provider which may be appointed) or otherwise collected by or on behalf of a Recipient (as defined below) in connection with the subscription for Units, including any personal data relating to third party individuals (e.g. beneficial owners, directors or authorised signatories of investors who are not individuals) ("Data") may be held by the Manager, the Trustee and/or their related corporations (each a "Recipient"), and/or any third party engaged by a Recipient to provide administrative, computer or other services. Each of the foregoing persons may collect, use, disclose, process and maintain such Data for the following purposes and other purposes in connection with the administration, operation, processing or management of the Units of the Fund, including but not limited to: (i) maintaining the register of Unit Holders, (ii) processing applications for subscriptions, redemptions and switching of Units and payments to Unit Holders, (iii) complying with applicable anti-money laundering rules and regulations, (iv) tax identification for the purpose of complying with applicable tax laws and regulations, (v) complying with any legal, governmental, or regulatory requirements of any relevant jurisdiction (including any disclosure or notification requirements), (vi) complying with the requirements or directions of any regulatory authority, (vii) providing client-related services, including providing customer support, communicating with and disseminating notices and reports to individuals purporting to be investors or purporting to represent investors, (viii) identity verification, and (ix) to exercise or enforce the rights of a Recipient under contract or pursuant to applicable laws and regulations.

Where an investor provides to a Recipient personal data relating to third party individuals, that investor warrants that the prior consent of such third party individual, which will allow a Recipient to collect, use and disclose that personal data in the manner and for the purposes described, has been obtained, and consents and acknowledges to all such collection, use and disclosure on behalf of that third party individual.

Subject to applicable laws and regulations, such Data may be transferred to the Target Fund Manager (as defined below) or any delegate appointed by the Target Fund Manager in connection with the investment of the Fund in the Target Fund (as defined below). The Data collected may be maintained for such period of time which may be required under applicable laws and as otherwise needed to fulfil the purposes set out above. All individual investors have a right of access and of rectification of the Data in cases where such Data is incorrect or incomplete.

An investor should be aware that if the investor refuses to consent to the collection, use, and disclosure of the Data, the Manager (whether directly or through the appointed agent or distributor) is entitled to reject any application to subscribe to Units submitted by the investor. If an investor after consenting to the collection, use and disclosure of his Data, subsequently withdraw his consent by giving a notice in writing to the Manager (whether directly or through the appointed agent or distributor), the Manager (whether directly or through the appointed agent or distributor) will not allow the investor to continue holding Units of the Fund and will request the investor to submit a request for redemption together with his notice of withdrawal of consent. Please note that the notice of withdrawal of consent shall not prevent the Manager from using or disclosing the Data for the purposes of complying with any legal, governmental or regulatory requirements of any relevant jurisdiction.

You should seek professional advice to ascertain (a) the possible tax consequences, (b) the legal requirements applicable to you, (c) any foreign exchange restrictions or exchange control requirements which you may be subjected under the laws of your citizenship, residence or domicile or (d) any restrictions or requirements under any regulations and the terms and conditions thereunder (as the same may be modified or supplemented from time to time), which may be relevant to the subscription, holding or disposal of Units in the Fund. You should inform yourselves of and observe all such laws and regulations in any relevant jurisdiction that may be applicable to you.

**OPUS LIFE SETTLEMENT FUND 1 MAY DECLARE DISTRIBUTION OUT OF CAPITAL AND INVESTORS SHOULD BE AWARE THAT THE CAPITAL OF THE FUND WILL BE ERODED WHEN THE FUND DECLARES DISTRIBUTION OUT OF CAPITAL AS THE**

**DISTRIBUTION IS ACHIEVED BY FORGOING THE POTENTIAL FOR FUTURE CAPITAL GROWTH AND THIS CYCLE MAY CONTINUE UNTIL ALL CAPITAL IS DEPLETED.**

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## 1. GLOSSARY

|                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“Base Currency”</b>          | : means the base currency of the Fund which is USD.                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>“BNM”</b>                    | : means Bank Negara Malaysia.                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>“Bursa Malaysia”</b>         | : means the stock exchange managed and operated by Bursa Malaysia Securities Berhad including such other name as it may be amended from time to time.                                                                                                                                                                                                                                                                                          |
| <b>“Business Day”</b>           | : Means: <ul style="list-style-type: none"><li>(i) a day (excluding Saturdays, Sundays and public holidays in Malaysia) on which banks in Kuala Lumpur are open for business and a day on which Bursa Malaysia is open for trading; and</li><li>(ii) a day (excluding Saturdays and Sunday) on which banks in London are open for business.</li></ul>                                                                                          |
| <b>“CIS”</b>                    | : means collective investment schemes.                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>“Class”</b>                  | : 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.                                                                                                                                                                                                                                                                                                     |
| <b>“CMSA”</b>                   | : means the Capital Markets and Services Act 2007 as may be amended from time to time.                                                                                                                                                                                                                                                                                                                                                         |
| <b>“Deed”</b>                   | : means the deed dated 7 November 2025 and any other supplemental deed that may be entered into between the Trustee and us in respect of the Fund.                                                                                                                                                                                                                                                                                             |
| <b>“financial institution”</b>  | : means: <ul style="list-style-type: none"><li>(a) if the institution is in Malaysia:<ul style="list-style-type: none"><li>(i) licensed bank;</li><li>(ii) licensed investment bank; or</li><li>(iii) licensed Islamic bank;</li></ul></li><li>(b) if the institution is outside Malaysia, any institution that is licensed or registered or approved or authorised by the relevant banking regulator to provide financial services.</li></ul> |
| <b>“Fund”</b>                   | : means Opus Life Settlement Fund 1.                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>“GBP”</b>                    | : means Great British Pound.                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>“General Partner”</b>        | : refers to BlackOak Life Limited, the general partner of the Target Fund.                                                                                                                                                                                                                                                                                                                                                                     |
| <b>“Guidelines”</b>             | : means the <i>Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework</i> issued by the SC as may be revised, updated or amended from time to time.                                                                                                                                                                                                                                                               |
| <b>“Hedged Class”</b>           | : means a particular Class that aims to reduce the effect of exchange rate fluctuations between the Base Currency and the currency in which the Unit Holders are exposed to when investing in the Hedged Class.                                                                                                                                                                                                                                |
| <b>“Information Memorandum”</b> | : means this document in relation to the Fund which is lodged with the SC as may be amended from time to time.                                                                                                                                                                                                                                                                                                                                 |

|                                                                                                                                                                                 |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“licensed bank”</b>                                                                                                                                                          | : | has the same meaning as prescribed under the Financial Services Act 2013.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>“licensed investment bank”</b>                                                                                                                                               | : | has the same meaning as prescribed under the Financial Services Act 2013.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>“licensed Islamic bank”</b>                                                                                                                                                  | : | has the same meaning as prescribed under the Islamic Financial Services Act 2013.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>“Manager” or “us” or “we” or “our”</b>                                                                                                                                       | : | refers to Opus Asset Management Sdn Bhd.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>“MYR”</b>                                                                                                                                                                    | : | means Ringgit Malaysia, the official currency of Malaysia.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>“Net Asset Value” or “NAV”</b>                                                                                                                                               | : | means the value of all the assets of the Fund less the value of all the liabilities of the Fund at a valuation point; where the Fund has more than one (1) Class, there shall be a NAV of the Fund attributable to each Class.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>“NAV per Unit”</b>                                                                                                                                                           | : | means the NAV of a Class at a particular valuation point divided by the number of Units in circulation of that Class at the same valuation point.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>“Redemption Charge”</b>                                                                                                                                                      | : | means a fee payable pursuant to a redemption request.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>“Sales Charge”</b>                                                                                                                                                           | : | means a fee payable pursuant to an application for purchase of Units.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>“SC”</b>                                                                                                                                                                     | : | means the Securities Commission Malaysia established under the Securities Commission Malaysia Act 1993.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>“Sophisticated Investor(s)”</b>                                                                                                                                              | : | means: <ul style="list-style-type: none"> <li>(a) any person who is determined to be a sophisticated investor under the Guidelines on Categories of Sophisticated Investors issued by the SC; or</li> <li>(b) any person who acquires any capital market product specified under the Guidelines where the consideration is not less than RM250,000 or its equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise; or</li> <li>(c) any other category of investors as may be permitted by the SC from time to time.</li> </ul>                                                                                                                                                                                                                                                                       |
| <p><i>Note: For more information, please refer to our website at <a href="http://www.opusasset.com">www.opusasset.com</a> for the definition of Sophisticated Investor.</i></p> |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>“Special Resolution”</b>                                                                                                                                                     | : | means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority of not less than three-fourths (3/4) of the Unit Holders present and voting at the meeting in person or by proxy; for the avoidance of doubt, “three-fourths (3/4) of the Unit Holders present and voting at the meeting in person or by proxy” means three-fourths (3/4) of the votes cast by the Unit Holders present and voting at the meeting in person or by proxy; for the purposes of terminating the Fund or a Class, <b>“Special Resolution”</b> means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority in number representing at least three-fourths (3/4) of the value of the Units held by the Unit Holders present and voting at the meeting in person or by proxy. |
| <b>“Target Fund”</b>                                                                                                                                                            | : | refers to One Life Settlement Limited Partnership.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

|                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“Target Fund Manager”</b>  | : refers to SL Investment Management Limited.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>“Trustee”</b>              | : refers to CIMB Commerce Trustee Berhad, the trustee for the Fund.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>“Unit(s)”</b>              | : means a measurement of the right or interest of a Unit Holder in the Fund and means a unit of the Fund or a Class, as the case may be.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>“Unit Holder” or “you”</b> | : means a registered holder of a Unit or Units of a Class including any joint holder whose name appears in our register of Unit Holders; in relation to the Fund, means all the Unit Holders of every Class in the Fund.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>“U.S.”</b>                 | : means United States of America.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>“USD”</b>                  | : means United States Dollar, the official currency of the U.S..                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>“U.S. Person”</b>          | : (a) a U.S. citizen (including those who hold dual citizenship or a green card holder);<br>(b) a U.S. resident alien for tax purposes;<br>(c) a U.S. partnership;<br>(d) a U.S. corporation;<br>(e) any estate other than a non-U.S. estate;<br>(f) any trust if:<br>(i) a court within the U.S. is able to exercise primary supervision over the administration of the trust; and<br>(ii) one or more U.S. Persons have the authority to control all substantial decisions of the trust;<br>(g) any other person that is not a non-U.S. person; or<br>(h) any other definition as may be prescribed under any relevant laws including but not limited to the Regulation S under the U.S. Securities Act of 1933 and the Foreign Account Tax Compliance Act, as may be amended from time to time. |
| <b>“Valuation Day”</b>        | : means a day on which the price of the Fund is calculated, and shall be on the last day of each month.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |



## 2. CORPORATE DIRECTORY

### THE MANAGER

NAME : Opus Asset Management Sdn Bhd  
REGISTRATION NO. : 199601042272 (414625-T)  
REGISTERED OFFICE : 2nd Floor, No. 2-4, Jalan Manau  
50460 Kuala Lumpur  
TELEPHONE NO. : 603-2273 1221  
FAX NO. : 603-2273 1220  
BUSINESS OFFICE : B-19-2, Northpoint Offices, Mid Valley City  
No. 1, Medan Syed Putra Utara  
59200 Kuala Lumpur  
TELEPHONE NO. : 603-2288 8882  
FAX NO. : 603-2288 8889  
EMAIL ADDRESS : enquiry@opusasset.com  
WEBSITE ADDRESS : www.opusasset.com

### THE TRUSTEE

NAME : CIMB Commerce Trustee Berhad  
REGISTRATION NO. : 199401027349 (313031-A)  
REGISTERED OFFICE : Level 13, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur  
TELEPHONE NO. : 603 - 2261 8888  
FAX NO. : 603 - 2261 0099  
BUSINESS OFFICE : Level 21, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur  
TELEPHONE NO. : 603 - 2261 8888  
FAX NO. : 603 - 2261 9894  
EMAIL ADDRESS : ss.corptrust@cimb.com  
WEBSITE ADDRESS : www.cimb.com

### 3. THE FUND

#### 3.1 FUND INFORMATION

| Name of the Fund     | Opus Life Settlement Fund 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |                  |                     |           |          |           |          |                  |          |
|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|------------------|---------------------|-----------|----------|-----------|----------|------------------|----------|
| Base Currency        | USD                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |                  |                     |           |          |           |          |                  |          |
| Fund Category        | Feeder fund                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |                  |                     |           |          |           |          |                  |          |
| Fund Type            | Growth and income                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |                  |                     |           |          |           |          |                  |          |
| Initial Offer Price  | <table><tr><th>Classes of Units</th><th>Initial Offer Price</th></tr><tr><td>USD Class</td><td>USD 1.00</td></tr><tr><td>MYR Class</td><td>MYR 1.00</td></tr><tr><td>MYR Hedged Class</td><td>MYR 1.00</td></tr></table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  | Classes of Units | Initial Offer Price | USD Class | USD 1.00 | MYR Class | MYR 1.00 | MYR Hedged Class | MYR 1.00 |
| Classes of Units     | Initial Offer Price                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |                  |                     |           |          |           |          |                  |          |
| USD Class            | USD 1.00                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  |                  |                     |           |          |           |          |                  |          |
| MYR Class            | MYR 1.00                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  |                  |                     |           |          |           |          |                  |          |
| MYR Hedged Class     | MYR 1.00                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  |                  |                     |           |          |           |          |                  |          |
| Initial Offer Period | <p>Fourteen (14) days from the date of this Information Memorandum (inclusive).</p> <p>The initial offer period may be shortened if we determine that it is in your best interest.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |  |                  |                     |           |          |           |          |                  |          |
| Investor’s Profile   | <p>The Fund is suitable for Sophisticated Investors who:</p> <ul style="list-style-type: none"><li>• have a long-term investment horizon;</li><li>• are interested in alternative asset investment;</li><li>• have a low to medium risk appetite;</li><li>• are seeking income and/or capital gains; and</li><li>• do not prioritise liquidity.</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  |                  |                     |           |          |           |          |                  |          |
| Investment Objective | <p>The Fund aims to provide capital growth and regular income by investing in the Target Fund.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |                  |                     |           |          |           |          |                  |          |
| Investment Strategy  | <p>The Fund seeks to achieve its investment objective by investing a minimum of 85% of its NAV in Unit Class A - Dividend of the Target Fund. The Target Fund is a Private Fund Limited Partnership established under the provisions of the Limited Partnerships Act 1907 on 19 December 2022. The Target Fund seeks to achieve long term capital growth through the acquisition and trading of U.S. life insurance policies, known as life settlements, which are issued by U.S. life insurance companies.</p> <p><i>Please refer to Section 4 for further details on the investment strategy of the Target Fund.</i></p> <p>The Fund may use derivatives such as forward contracts and futures contracts to fully or partially, hedge the foreign currency exposure to manage the currency risk.</p> <p>We may, in consultation with the Trustee and subject to Unit Holders’ approval, replace the Target Fund with another fund of a similar objective, if, in our opinion, the Target Fund no longer meets the Fund’s investment objective.</p> |  |                  |                     |           |          |           |          |                  |          |
| Asset Allocation     | <ul style="list-style-type: none"><li>• A minimum of 85% of the Fund’s NAV in Unit Class A - Dividend of the Target Fund; and</li><li>• The remaining of the Fund’s NAV in liquid assets including money market instruments, deposits and other permitted investments.</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  |                  |                     |           |          |           |          |                  |          |

|                                           |                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Target Return of the Fund</b>          | <p>10% per annum in USD term.</p> <p><b>This is not a guaranteed return and is only a measurement of the Fund's performance. The Fund may or may not achieve 10% per annum in USD term but targets to achieve this growth over the long term.</b></p>                                                                                    |
| <b>Financial Year End</b>                 | <p>30<sup>th</sup> April</p> <p>The first financial year of the Fund shall commence on the launch date of the Fund and end on a date which shall not exceed eighteen (18) months from the launch date of the Fund.</p> <p><i>Note: The launch date of the Fund is the date on which sale of Units of the Fund may first be made.</i></p> |
| <b>Deed</b>                               | 7 November 2025.                                                                                                                                                                                                                                                                                                                         |
| <b>Permitted Investments</b>              | <p>The Fund may invest in the following:</p> <ul style="list-style-type: none"> <li>• Unit Class A - Dividend of the Target Fund;</li> <li>• money market instruments;</li> <li>• deposits;</li> <li>• units or shares in CIS; and</li> <li>• derivatives (for hedging purposes only).</li> </ul>                                        |
| <b>Investment Restrictions and Limits</b> | The Fund is not subject to any investment restrictions and limits.                                                                                                                                                                                                                                                                       |

**PLEASE NOTE THAT THE FUND IS ESTABLISHED AS A MULTI-CLASS FUND. AS SUCH, THE FUND MAY OFFER NEW CLASS(ES) FROM TIME TO TIME WITHOUT YOUR PRIOR CONSENT.**

### 3.2 FEES AND CHARGES

The fees, charges and expenses disclosed herein are exclusive of any tax which may be imposed by the government from time to time.

The following describes the fees and charges that may be **DIRECTLY** incurred by Unit Holders of the Fund when purchasing or redeeming Units of the Fund.

| Sales Charge      | Classes of Units                                                                                                                      |   | Sales Charge                                 |
|-------------------|---------------------------------------------------------------------------------------------------------------------------------------|---|----------------------------------------------|
|                   | USD Class                                                                                                                             |   | Up to 3.00% of the NAV per Unit of the Class |
|                   | MYR Class                                                                                                                             |   |                                              |
|                   | MYR Hedged Class                                                                                                                      |   |                                              |
|                   | Below is an illustration on how the Sales Charge is calculated, assuming a Unit Holder of USD Class intends to invest USD1,000,000.00 |   |                                              |
|                   | Sales Charge                                                                                                                          | = | 3.00% x (amount to be invested)              |
|                   |                                                                                                                                       | = | 3.00% x USD1,000,000.00                      |
|                   |                                                                                                                                       | = | USD30,000.00                                 |
| Redemption Charge | Nil.                                                                                                                                  |   |                                              |

| <b>Switching Fee</b>               | Nil.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |               |           |           |           |           |                  |           |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|---------------|-----------|-----------|-----------|-----------|------------------|-----------|
| <b>Transfer Fee (per transfer)</b> | <table> <tr> <th>Classes of Units</th><th>Transfer Fee*</th></tr> <tr> <td>USD Class</td><td>USD 25.00</td></tr> <tr> <td>MYR Class</td><td>MYR 25.00</td></tr> <tr> <td>MYR Hedged Class</td><td>MYR 25.00</td></tr> </table> <p><i>*or such other lower amount as we may decide from time to time.</i></p>                                                                                                                                                                                                                                                                                                                                                                                                      | Classes of Units | Transfer Fee* | USD Class | USD 25.00 | MYR Class | MYR 25.00 | MYR Hedged Class | MYR 25.00 |
| Classes of Units                   | Transfer Fee*                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                  |               |           |           |           |           |                  |           |
| USD Class                          | USD 25.00                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                  |               |           |           |           |           |                  |           |
| MYR Class                          | MYR 25.00                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                  |               |           |           |           |           |                  |           |
| MYR Hedged Class                   | MYR 25.00                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                  |               |           |           |           |           |                  |           |
| <b>Other Charges</b>               | <p>All charges, for instance bank charges (including, but not limited to Financial Process Exchange ("FPX") and direct debit), telegraphic transfer charges and courier charges in connection with the execution of transactions on behalf of the investor shall be borne by the investor.</p> <p>In addition to the above, as the Fund invest in the units of the Target Fund, there are fees, charges and expenses indirectly incurred by the Unit Holder such as management fee, policy acquisition fee, policy servicing fee, transaction fee and performance fee charged by the Target Fund Manager, operational expenses and other administrative expenses which are incurred at the Target Fund level.</p> |                  |               |           |           |           |           |                  |           |

The following describes the fees and expenses that may be **INDIRECTLY** incurred by Unit Holders of the Fund when investing in the Fund.

| <b>Management Fee</b>                       | <table> <tr> <th>Classes of Units</th><th>Management Fee</th></tr> <tr> <td>USD Class</td><td rowspan="3">Up to 2.00% per annum of the NAV of the Class</td></tr> <tr> <td>MYR Class</td></tr> <tr> <td>MYR Hedged Class</td></tr> </table> <p>The management fee is calculated and payable to the Manager on a monthly basis.</p> <p><b><i>Please note that management fee will only be charged once at the Fund level. The management fee charged by the Target Fund will be paid out of the management fee charged by us at the Fund level. There is no double charging of management fee.</i></b></p>                                                                                                                                                                                                                                                     | Classes of Units | Management Fee | USD Class | Up to 2.00% per annum of the NAV of the Class | MYR Class | MYR Hedged Class |
|---------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----------------|-----------|-----------------------------------------------|-----------|------------------|
| Classes of Units                            | Management Fee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                  |                |           |                                               |           |                  |
| USD Class                                   | Up to 2.00% per annum of the NAV of the Class                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                  |                |           |                                               |           |                  |
| MYR Class                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                  |                |           |                                               |           |                  |
| MYR Hedged Class                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                  |                |           |                                               |           |                  |
| <b>Trustee Fee</b>                          | <p>Up to 0.03% per annum of the NAV of the Fund (excluding foreign custodian fees and charges) with a minimum fee of RM9,000 per annum for the first year and a minimum fee of RM12,000 per annum from the second year onwards.</p> <p>The trustee fee is calculated and payable to the Trustee on a monthly basis.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                  |                |           |                                               |           |                  |
| <b>List of Expenses related to the Fund</b> | <ul style="list-style-type: none"> <li>▪ auditors' fee and charges;</li> <li>▪ tax adviser's fee and charges;</li> <li>▪ taxes and duties charged by the government and/or relevant authorities;</li> <li>▪ fees for the valuation of any investment of the Fund;</li> <li>▪ fees, charges, costs and expenses relating to the preparation, printing, posting and lodgement of documents and reports which the Manager and/or the Trustee may be obliged to prepare, print, post and/or lodge in relation to the Fund by virtue of any relevant law;</li> <li>▪ remuneration and out of pocket expenses of the person(s) or members of a committee undertaking the oversight function of the Fund;</li> <li>▪ fees in relation to fund accounting;</li> <li>▪ annual fees required to be paid to the relevant authorities in relation to the Fund;</li> </ul> |                  |                |           |                                               |           |                  |

|                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                    | <ul style="list-style-type: none"> <li>any tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred by the Fund; and</li> <li>any other fees, charges, costs and expenses permitted by the Deed.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Rebates and Soft Commission</b> | <p>We, our delegate or the Trustee will not retain any rebate from, or otherwise share in any commissions with, any broker or dealer in consideration for directing dealings in the Fund's assets. Any rebate or shared commission will be directed to the account of the Fund.</p> <p>However, soft commissions may be retained by us if:</p> <ul style="list-style-type: none"> <li>(i) the soft commissions bring direct benefit or advantage to the management of the Fund and may include research and advisory related services;</li> <li>(ii) any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund; and</li> <li>(iii) the Manager or the fund manager shall not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions.</li> </ul> |
| <b>Manager's Rights</b>            | <p>We may, for any reason and at any time, reduce or waive the amount of any fees (except for the trustee fee) or other charges payable by the Unit Holder in respect of the Fund, either generally (for all Unit Holders and/or investors of a Class) or specifically (for any particular Unit Holder and/or investor of a Class) and for any period of time at our absolute discretion.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

***THERE ARE FEES AND CHARGES INVOLVED AND INVESTORS ARE ADVISED TO CONSIDER THEM BEFORE INVESTING IN THE FUND.***

### 3.3 TRANSACTION DETAILS

| <b>Minimum Initial Investment<sup>^</sup></b>              | <table> <tr> <th>Classes of Units</th><th>Minimum Initial Investment</th></tr> <tr> <td>USD Class</td><td>USD 25,000.00</td></tr> <tr> <td>MYR Class</td><td>MYR 100,000.00</td></tr> <tr> <td>MYR Hedged Class</td><td>MYR 100,000.00</td></tr> </table>                           | Classes of Units | Minimum Initial Investment    | USD Class | USD 25,000.00 | MYR Class | MYR 100,000.00 | MYR Hedged Class | MYR 100,000.00 |
|------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------------------|-----------|---------------|-----------|----------------|------------------|----------------|
| Classes of Units                                           | Minimum Initial Investment                                                                                                                                                                                                                                                          |                  |                               |           |               |           |                |                  |                |
| USD Class                                                  | USD 25,000.00                                                                                                                                                                                                                                                                       |                  |                               |           |               |           |                |                  |                |
| MYR Class                                                  | MYR 100,000.00                                                                                                                                                                                                                                                                      |                  |                               |           |               |           |                |                  |                |
| MYR Hedged Class                                           | MYR 100,000.00                                                                                                                                                                                                                                                                      |                  |                               |           |               |           |                |                  |                |
| <b>Minimum Additional Investment<sup>^</sup></b>           | <table> <tr> <th>Classes of Units</th><th>Minimum Additional Investment</th></tr> <tr> <td>USD Class</td><td>USD 5,000.00</td></tr> <tr> <td>MYR Class</td><td>MYR 10,000.00</td></tr> <tr> <td>MYR Hedged Class</td><td>MYR 10,000.00</td></tr> </table>                           | Classes of Units | Minimum Additional Investment | USD Class | USD 5,000.00  | MYR Class | MYR 10,000.00  | MYR Hedged Class | MYR 10,000.00  |
| Classes of Units                                           | Minimum Additional Investment                                                                                                                                                                                                                                                       |                  |                               |           |               |           |                |                  |                |
| USD Class                                                  | USD 5,000.00                                                                                                                                                                                                                                                                        |                  |                               |           |               |           |                |                  |                |
| MYR Class                                                  | MYR 10,000.00                                                                                                                                                                                                                                                                       |                  |                               |           |               |           |                |                  |                |
| MYR Hedged Class                                           | MYR 10,000.00                                                                                                                                                                                                                                                                       |                  |                               |           |               |           |                |                  |                |
| <b>Minimum Holdings to Maintain an Account<sup>^</sup></b> | <p>10,000 Units</p> <p><i>Note: If a redemption request results in you holding less than the applicable minimum holdings requirements of the Fund, we have the discretion to redeem all the remaining Units held by you in the Fund and pay the redemption proceeds to you.</i></p> |                  |                               |           |               |           |                |                  |                |

<sup>^</sup> or such other amount or number of Units, as the case may be, as may be determined by us from time to time.

|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Subscription of Units</b> | <p>Unit Holders may subscribe to the Fund on a monthly basis by submitting completed application for subscription together with the relevant supporting documents, and cleared funds is received by us on or before 4:00 p.m. three (3) Business Days prior to the last Business Day of each month ("Subscription Cut-off Time"). Applications received on or before the Subscription Cut-off Time which are accepted by us will be processed</p> |
|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

and Units will be created based on the NAV per Unit calculated at the end of the last day of the month ("Subscription Processing Date").

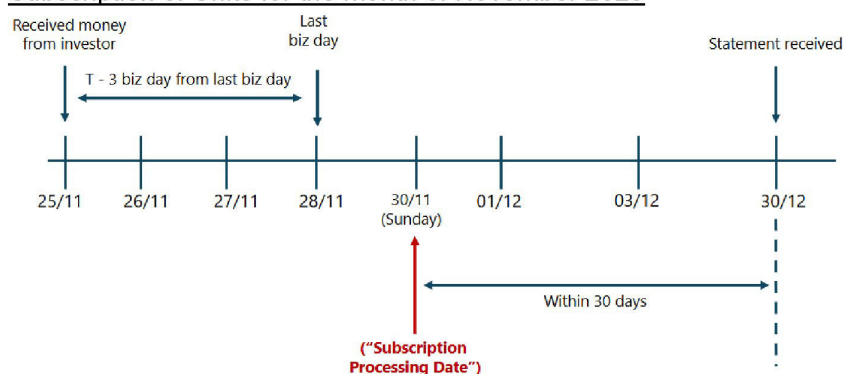
Applications received after the Subscription Cut-off Time will be processed on the following Subscription Processing Date, unless a prior written arrangement is made to our satisfaction.

A confirmation statement detailing your investment amount and the number of Units allocated to you in the Fund will be sent to you within one (1) month from the Subscription Processing Date.

We reserve the right to reject any application for subscription without providing any reason. We may also reject any application for subscription that is not complete and/or not accompanied by the required documents and those applications will only be processed upon the documentation being satisfactorily completed.

*Illustration:*

**Subscription of Units for the month of November 2025**



**Redemption of Units**

**Unit Holders should be aware that each of their investments into the Fund will be subject to a holding period of twelve (12) months from the date each investment is made into the Fund, i.e., the date when Units are created pursuant to an application for subscription. Unit Holders are not permitted to redeem their investment during such holding period.**

After the expiry of the holding period, Unit Holders may redeem their Units on a quarterly basis.

A redemption request with complete documentation must be received by us on or before 4:00 p.m. six (6) Business Days prior to the last business day of each calendar quarter (i.e., in March, June, September and December) ("Redemption Cut-off Time"). Redemption requests received on or before the Redemption Cut-off Time which are accepted by us will be processed and Units will be redeemed based on the NAV per Unit calculated at the end of the last day of the following calendar quarter ("Redemption Processing Date").

The redemption request received after the Redemption Cut-off Time will be treated as having been received by us on the following redemption cycle and will be processed on the following Redemption Processing Date, unless a prior written arrangement is made to our satisfaction.

Once the redemption requests are duly received and accepted by us, such redemption requests are irrevocable unless otherwise allowed by us.

The redemption proceeds will be paid to you within forty-five (45) days from the Redemption Processing Date.

A confirmation statement detailing the redemption amount and the number of Units redeemed by you will be sent to you within (1) month from the Redemption Processing Date.

Transaction costs such as charges for electronic transfers, if any, will be borne by the Unit Holders and set-off against the redemption proceed. Investors should be aware that all redemption requests will be made on a best effort basis and may be dependent on the General Partner's acceptance of the Fund's redemption requests.

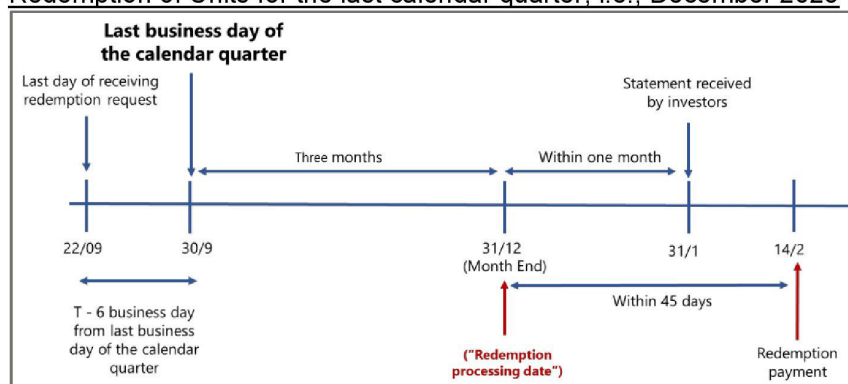
We reserve the right to redeem all of your Units if such redemption is necessary to ensure that we are in compliance with the relevant laws. We will notify you prior to such redemption.

*Note: Unit Holders should be aware that the ability of the Fund to pay the redemption proceeds to the Unit Holders pursuant to a redemption request is also subject to the Fund being able to redeem its investments from the Target Fund as the Target Fund's redemption limit for each redemption period is subject to an aggregate limit of 10% of the Target Fund's net asset value. If the aggregate amount of redemption requests in a redemption period are in excess of 10% of the Target Fund's net asset value, the General Partner may in its sole discretion limit the aggregate amount of redemption to 10% of the Target Fund's net asset value, and satisfy the redemption requests on a pro rata basis. Redemption requests that are deferred may be given priority in subsequent redemption periods.*

*In the event the Target Fund imposes any other redemption restrictions, suspensions and/or gating mechanisms that limit the Fund's ability to redeem or withdraw its investments from the Target Fund, the Fund may immediately implement the corresponding redemption restrictions, suspensions, and/or gating mechanisms on the redemptions by its Unit Holders.*

#### Illustration:

Redemption of Units for the last calendar quarter, i.e., December 2025



#### Switching of Units

Switching into other funds are not allowed.

However, Unit Holders are allowed to switch between Classes of the Fund that are denominated in the same currency.

You must complete the switching form and submit it to us on or before 4.00 p.m. on a Valuation Day. If we receive the switching form after 4.00

|                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Transfer of Units</b> | <p>p.m., we will process the switching request on the following Valuation Day. The minimum amount for switching is 10,000 Units or such other number of Units as may be determined by us from time to time.</p> <p>We reserve the right to reject any switching requests that are deemed to be contrary to the best interest of the Fund and/or existing Unit Holders.</p> <p>Unit Holders are permitted to transfer the ownership of their investments in the Fund at any point in time by completing the transfer form and submit it to us on any Valuation Day. The transfer must be made in terms of Units only and not in value.</p> <p>The minimum Units per transfer is 10,000 Units or such other number of Units as may be determined by us from time to time.</p> <p>We reserve the right to reject any transfer request without providing any reason.</p> |
|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

### 3.4 DISTRIBUTION POLICY

|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Distribution Policy</b>  | <p>The Fund may distribute income at a target payout rate of 8.0% per annum on a semi-annual basis. Further, the Manager has the absolute discretion but not the obligation to declare a higher distribution (i.e. above the target payout rate) when the Fund performs well.</p> <p>Distribution may be made from realised income, realised gains or capital to enable the Fund to distribute income in accordance with the distribution policy of the Fund. Any declaration and payment of distribution will have the effect of lowering the NAV of the Fund.</p> <p><b>Distribution out of the Fund's capital has a risk of eroding the capital of the Fund. It may reduce the Fund's capital available for future investment and the Fund's potential for future income generation; it may also cause the NAV of the Fund to fall over time. The greater the risk of capital erosion that exists, the greater the likelihood that, due to capital erosion, the value of future returns would also be diminished.</b></p>                                                                                                                                                     |
| <b>Mode of Distribution</b> | <p>Unit Holders may choose to receive the distribution in cash payment or additional Units (by way of reinvestment) by ticking the appropriate column in the application form. If you do not choose the mode of distribution in the application form, all distribution will be automatically reinvested into additional Units of the Fund.</p> <p><b>Cash Payment</b></p> <p>If you choose to receive cash, the distribution will be paid into your bank account (which shall be in the respective currency of the Class(es)) in our records within forty-five (45) days from the distribution declaration date. All the cost and expenses incurred in facilitating such distribution payments shall be borne by you.</p> <p>If you do not provide us with any bank account details or the distribution proceeds cannot be credited into your bank account for any reason whatsoever, the distribution proceeds will be reinvested into the Fund based on the NAV per Unit of the Class on the day immediately after the failure to effect the payment into your bank account without any cost for such reinvestment provided always that you still have an account with us.</p> |

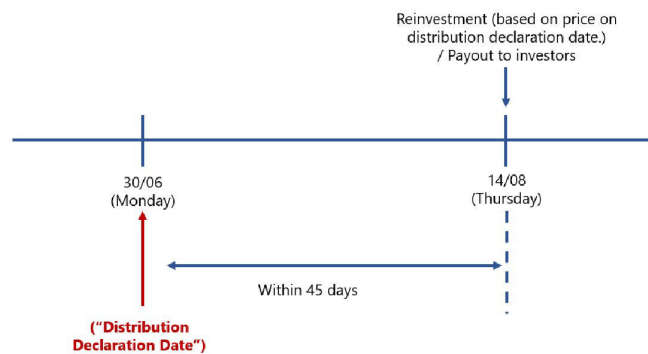


Any distribution payable which is less than or equal to the amount of USD/MYR100.00 will be automatically reinvested into additional Units of the Fund.

### Reinvestment

If you choose to receive additional Units by way of reinvestment, the additional Units will be reinvested based on the NAV per Unit of the Class at the distribution declaration date. The allotment of the additional Units will be made within forty-five (45) days after the distribution declaration date. There will not be any cost for reinvestments of those additional Units i.e. no Sales Charge will be imposed.

### Illustration for distribution process as follows:



## 4. THE TARGET FUND

### **Name of the Target Fund**

One Life Settlement Limited Partnership

### **Unit Class**

Unit Class A - Dividend

### **Base Currency**

USD

### **Date of Establishment of the Target Fund**

19 December 2022

### **Country of Origin**

United Kingdom

### **Legislation Applicable to the Target Fund**

Limited Partnerships Act 1907

### **Information of the Target Fund**

The Target Fund is a private fund limited partnership established under the provisions of the Limited Partnerships Act 1907, whose principal place of business is One City Place, Queens Road, Chester, CH1 3BQ, United Kingdom. The Target Fund is governed under English law and is subject to the exclusive jurisdiction of the English courts.

The parties to the Target Fund are the General Partner and the limited partners (including the Fund), benefiting 100% in the profit and losses of the Target Fund. The proportion of profits/losses shared between investors of the Target Fund is defined in the partnership agreement. This is reinstated at the point of entry/exit of each investor into or out of the Target Fund, according to a fair allocation of benefits in line with the limited partner's value at the time.

### **General Partner of the Target Fund**

BlackOak Life Limited, a company limited by shares, incorporated in England and Wales. The General Partner is responsible for the day to day operation of the Target Fund. The General Partner is to be the ultimate legal owner of all assets of the Target Fund, holding these assets to the beneficial interest of the Target Fund. The General Partner has no participation in the overall profits or losses of the Target Fund.

### **Manager of the Target Fund**

SL Investment Management Limited, a company incorporated under English law (registered in England and Wales number 2485382) has its registered office at One City Place, Queens Road, Chester, CH1 3BQ, United Kingdom. The Target Fund Manager is an alternative investment fund manager authorised and regulated by the United Kingdom Financial Conduct Authority.

The Target Fund Manager provides fund management services to the Target Fund as specified under an investment advice and services agreement, governed under English law and subject to the exclusive jurisdiction of the English courts.

### **Investment Strategy and Objective of the Target Fund**

The Target Fund's investment strategy is to achieve long term capital growth through the acquisition and trading of U.S. life insurance policies, commonly known as life settlements, which are issued by U.S. life insurance companies. The aim is for the Target Fund to acquire policies in the open market and to take on the future premium commitments in exchange for the death benefit proceeds upon the death of the policy insured. The seller in the open market receives an agreed purchase price for the policy from the Target Fund.

The Target Fund is a USD denominated alternative investment fund and seeks to invest in a diversified portfolio of life settlements from a range of life companies issued in different U.S. states. This will

mitigate the risks associated with high concentration levels and the resulting counterparty risk. The Target Fund is an open-ended structure with no scheduled wind-up date.

The Target Fund may invest in U.S. life insurance policies, commonly known as life settlements, which are issued by U.S. life insurance companies and assets linked to life settlements and / or longevity risk. Although it is the Target Fund's primary objective to invest in life settlements, where no attractive life settlements are available and in the interest of minimising the impact of cash drag on the performance of the Target Fund, surplus cash reserves may be invested in money market funds and/or short to medium term debentures issued by financial institutions with a credit rating no lower than S&P "A" or equivalent.

The Target Fund intends to pay a semi-annual dividend to all Class A - Dividend unitholders / partners (including the Fund) on record at the end of June and December with payment made by the end of July and January. The value of each dividend shall be determined by the General Partner. Each dividend payment shall be treated as a withdrawal from the Class A - Dividend unitholders / partners (including the Fund) capital account and the value of Class A - Dividend units shall reduce accordingly.

### **Investment Restrictions of the Target Fund**

Life settlement investment criteria at the time of purchase are as follows:

- Policies may insure one or two lives. Policies can be universal life, whole life, variable life, term life, or term life that has been converted into universal or whole life.
- The policies must have been in force beyond any relevant statutory contestability and suicide periods.
- Each insured must be at least 60 years old at the time of acquisition.
- The total net death benefit of policies covering a single insured must be greater than or equal to USD75,000 and not exceed USD15,000,000.
- At the time the offer is made to acquire a policy in the open market, the insurance company's financial strength rating must be at least a "B+" by A.M. Best, or its equivalent rating by Moody's Investors Service (Baa3) or Standard & Poor's (BBB-).
- The pricing life expectancy must be greater than twenty-four (24) months and less than or equal to one hundred and eighty (180) months. The lower limit of twenty-four (24) months does not apply to tertiary market acquisitions so long as at the time the original secondary market transaction occurred the pricing life expectancy was greater than twenty-four (24) months.
- The probability of term-out must be less than 10%.
- The minimum internal rate of return used to generate a bid price for policies is 9%.

### **Risk Management Process of the Target Fund**

#### **Target Fund's Liquidity Management Policy**

Liquidity risk is the risk arising from cash flow mismatches between the Target Fund's assets and liabilities, which may affect the payment capacity of the Target Fund. The Target Fund controls its cash position on a daily basis and makes monthly projections to establish the expected behaviour of its cash position. Poor liquidity management could result in the Target Fund having insufficient funds to make premium payments, thereby increasing the risk of policies lapsing. As a result, investor returns could be lower than expected. The Target Fund Manager's liquidity management policy is regularly reviewed and any relevant changes are communicated to the Target Fund's investors.

#### **Liquidity Controls**

In order to meet the aims set out above, the Target Fund Manager uses the following tools to monitor liquidity:

- Cash flow projection model
- New investment pipeline
- Periodic premium model review

#### **Cash Flow Projection Model**

The Target Fund Manager uses a bespoke cash flow model to monitor and project the Target Fund's assets and liabilities. The purpose of this is to ensure that the Target Fund makes provisions for future liabilities for the desired period of twelve (12) months (the "liquidity buffer") assuming no further benefits are received. The model is updated at least monthly with the latest investment pipeline figures (see

below) ensuring cash projections are based on latest information. Should any significant investment information come to light prior to the monthly update, the Target Fund Manager reruns the cash projections incorporating that latest information.

Following the release of the monthly net asset value of the Target Fund, the Target Fund Manager rebases model with latest cash, valuation and expense positions.

### **New Investment Pipeline**

The Target Fund Manager produces an internal weekly report showing the value of potential purchases (including premium commitments for the first twelve (12) months), which incorporates the Target Fund Manager's estimation of the proportion of offers that will complete. This assumption is based upon the Target Fund Manager's historical experience of the life settlement market combined with in-house expertise on the competitiveness of the pricing basis used.

### **Periodic Premium Model Review**

The Target Fund Manager regularly monitors all premium models to optimise the use of cash and ensure that the Target Fund is neither overpaying nor underpaying premiums. Overpayment of premiums could cause liquidity problems as the Target Fund requires a greater amount of available cash to meet premium payments. Underpayment of premiums could increase the risk of policies entering the grace period, where a significantly higher premium amount could be requested by the carrier, again resulting in a need for a greater amount of available cash. The Target Fund Manager incorporates a minimum buffer of one and a half (1.5) months' worth of cost of insurance deductions at policy level, ensuring the premiums are modelled on an optimised but prudent basis.

The premium streams produced in the individual premium models are then fed into the cash flow projection model to ensure that the projections are based on the most up to date information.

### **Liquidity Buffer**

The Target Fund Manager targets a liquidity buffer of twelve (12) months, aiming to maintain a provision for the Target Fund liabilities for a period of twelve (12) months, assuming no further benefits are received. The aim of this is to ensure that the Target Fund has sufficient funds to meet future liabilities without compromising the aim of long-term growth. Should the Target Fund be in a position whereby the provisions exceed the expected liabilities for a period greater than the liquidity buffer, the Target Fund will commence a purchasing programme of additional life settlements in line with projected liquidity. Likewise, should the Target Fund hold provisions that are less than the expected liabilities for a period less than the liquidity buffer then the following process will be undertaken.

| Proportion of Liquidity Buffer | Action                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 50% <= Provisions < 100%       | The Target Fund Manager will contact the current investors to give them the opportunity to provide further investment into the Target Fund. The Target Fund Manager will also seek to market the Target Fund to other potential investors to receive further investments. Should no further investment be received the Target Fund Manager may update the current life expectancies of the policies with a view to selling one or more at a later stage. |
| 25% <= Provisions < 50%        | Policy sales should commence                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Provisions < 25%               | Policy sales and / or lapses                                                                                                                                                                                                                                                                                                                                                                                                                             |

The liquidity buffer is regularly reviewed by the Target Fund Manager to ensure that it remains appropriate.

### **Stress Testing**

To aid the decision making, the Target Fund Manager periodically performs stress tests to monitor the sensitivity of the Target Fund according to a variety of scenarios including:

- Lengthening of individual life expectancies (e.g. increase by 10%, 20% and 30%)
- Lower than expected mortality rates (e.g. 0%, 25%, 50% and 75% of current mortality basis)

The Target Fund Manager will carry out a full range of stress tests when reviewing the liquidity buffer. Stress tests will also be carried out on a quarterly basis as part of the ongoing monitoring of liquidity risk. These focus on the 0% mortality basis to ensure the buffer can be met in these conditions.

If the results of this stress test show that additional capital is required then additional stress tests are carried out, varying the assumption for the market price of the life settlements to be sold. The market price would be assumed to be a reduced percentage of the Target Fund's valuation of each asset (100%, 50% and 25%).

The Target Fund Manager uses the results of the stress tests to take appropriate action to mitigate the risks associated with material changes to the projected liquidity profile. In the event that the Target Fund liquidity is projected to be shorter than the liquidity buffer, investors will be informed of this and corrective actions undertaken.

### **Fees and Charges of the Target Fund**

Fees payable to the Target Fund Manager

| Fees                                                                                                                                                                                                                                                            | Rate                                                                                                              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| Management fee                                                                                                                                                                                                                                                  | 1.75% of the Target Fund's net asset value paid quarterly in arrears.                                             |
| <i><b>Please note that management fee will only be charged once at the Fund level. The management fee charged by the Target Fund will be paid out of the management fee charged by us at the Fund level. There is no double charging of management fee.</b></i> |                                                                                                                   |
| Policy acquisition fee                                                                                                                                                                                                                                          | Up to 2.50% of net death benefit value, subject to a minimum fee of USD2,500.00.                                  |
| Policy servicing fee                                                                                                                                                                                                                                            | USD 106.60 per policy per month (subject to annual inflation-linked increase).                                    |
| Transaction fee                                                                                                                                                                                                                                                 | USD 1,590.00 for each policy which is sold, transferred or matured (subject to annual inflation-linked increase). |
| Performance fee                                                                                                                                                                                                                                                 | 20% on any excess return above 8.00% per annum payable upon redemption of investor in part or whole.              |

Other fees payable to third parties (subject to annual inflation-linked increase)

- Bank transaction fee for premium payment (typically USD 20.00) payable to Bank of Utah;
- Bank transaction fee for payments and receipts (typically under GBP 10.00) payable to Barclays Bank;
- Life expectancy estimate update costs (including obtaining current medical records), typically under USD1,000.00 per policy once every two (2) years;
- Annual audit expenses, as negotiated with functionaries;
- Annual servicing fee of 0.75% of the Target Fund's net asset value paid quarterly in arrears to various third parties for the meeting of all operational, account and portfolio maintenance requirements of investors;
- Depository fees of GBP 50,000.00 + Value Added Tax per annum payable quarterly in advance;
- Custody fees and ad hoc fees to cover occasional sundry costs such as legal advice, as negotiated with third parties;
- Securities intermediary fee of USD 18.75 and USD 7.50 policy administration fee per policy per month payable to the securities intermediary; and
- U.S. policy servicing and monitoring USD 180.00 to USD195.00 per policy per year.

### **The Procedure and Conditions for the Issue and Sale of Units including the Redemption Rights of Investors in Normal and Exceptional Circumstances and the Existing Redemption Arrangements with Investors**

The Target Fund is an open ended investment vehicle with no scheduled wind-up date. By investing into the Target Fund, investors (including the Fund) become a limited partner of the Target Fund. If investors (including the Fund) wish to redeem their holdings, the General Partner should be contacted to agree a suitable time line for the redemption. The redemption period occurs every calendar quarter end with a notice period of ninety (90) days. Early redemption may be available subject to available cash reserves at the General Partner's discretion.

If the aggregate amount of redemption requests in a redemption period are in excess of 10% of the Target Fund's net asset value, the General Partner may in its sole discretion limit the aggregate amount of redemption to 10% of the Target Fund's net asset value, and satisfy the redemption requests on a pro rata basis. Redemption requests that are deferred may be given priority in subsequent redemption periods.

Whilst the Target Fund expects to redeem most investors via a cash payment, upon request from investor and at the discretion of the General Partner, payment may also be made in the form of life settlement policies, cash, assets linked to life settlement policies or a combination of these assets.

New subscriptions are handled each month provided that all relevant forms are completed. In the event that due diligence documents are supplied prior to the end of the month and capital is received within three (3) Business Days of month end, subscriptions will be processed at the prevailing month's price.

**AS THE FUND IS A FEEDER FUND, INVESTORS SHOULD BE AWARE THAT THEY WILL BE SUBJECTED TO HIGHER FEES ARISING FROM THE LAYERED INVESTMENT STRUCTURE.**

## **5. RISK FACTORS**

### **5.1 GENERAL RISKS OF INVESTING IN THE FUND**

#### **Returns are not guaranteed**

There is no guarantee that investing in the Fund will produce the desired investment returns.

#### **Management risk**

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

#### **Inflation risk**

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

#### **Risk of non-compliance**

Although it is our intention to observe all rules governing the Fund at all times, both external factors (adverse market conditions, natural disasters or political instability) and internal factors (oversight by the fund manager, a lapse in the compliance function, or a clerical error) could impact our ability to observe rules governing the Fund. Whilst non-compliance with the rules governing the Fund will not necessarily result in losses to the Fund, Unit Holders cannot discount the risk that losses may be suffered by the Fund if the non-compliance with the rules is sufficiently serious.

### **5.2 SPECIFIC RISKS OF INVESTING IN THE FUND**

#### **Concentration risk**

The Fund is subject to high concentration risk as the Fund invests substantially all of its assets in the units of the Target Fund. The Fund could be subject to significant losses if the Target Fund declines in value, or is otherwise adversely affected.

#### **Liquidity risk**

Liquidity risk refers to the ability of the Fund to redeem the units of the Target Fund at or near its market value. The difficulty in selling the units of the Target Fund to the Target Fund Manager at or near its market value constitutes liquidity risk.

#### **Restriction on redemption by the Unit Holder**

Unit Holders are not allowed to redeem their Units during the holding period which is twelve (12) months from the date the Unit Holders invest in the Fund. Accordingly, Unit Holders will only be able to realise their investments after the holding period in accordance with the redemption process as set out in Section 3 under "Redemption of Units". Unit Holders will not have access to their investment made during the holding period which may affect their ability to mobilise their funds into other investments when opportunities arise.

#### **Currency risk**

Although the Fund's assets will be substantially invested in the Target Fund which are denominated in USD, the Fund being a Malaysian domiciled fund may still have MYR-denominated liabilities (fees and expenses). This poses a currency risk to the Unit Holders as the exchange rate between MYR and USD may fluctuate; hence, affecting the NAV of the Fund. To mitigate this risk, we will manage the liquid assets to meet the Fund's MYR-denominated liabilities.

In addition, for MYR Class and MYR Hedged Class, the impact of the exchange rate movement between the Base Currency (USD) and MYR may result in an appreciation or depreciation of the Unit Holder's holdings as expressed in the Base Currency.

In order to manage currency risk for MYR Hedged Class, we may employ currency hedging strategies to fully or partially hedge the foreign currency exposure of the Hedged Class. However, every hedge comes with a cost and will be borne by the Hedged Class. Currency hedging may reduce the effect of the exchange rate movement for the Hedged Class but it does not entirely eliminate currency risk between the Hedged Class and the Base Currency. The unhedged portion of the Hedged Class will still be affected by the exchange rate movements and it may cause fluctuation of NAV of the Hedged Class. You should note that if the exchange rate moves favourably, the Hedged Class will not benefit from any upside in currency movement due to the hedging strategy. In addition, hedging is subject to a minimum size of entering into a hedging contract and the cost of hedging may affect returns of the Hedged Class. There is no guarantee that the hedging will be successful and mismatches may occur between the currency position of the Fund and the Hedged Class.

#### **Distribution out of capital risk**

The Fund may distribute out of its capital. The declaration and payment of distribution may have the effect of lowering the NAV of the Fund. In addition, distribution out of the Fund's capital may reduce part of the Unit Holders' original investment and may also result in reduced future returns to Unit Holders.

#### **Derivative risk**

Derivatives, if any, will only be used for the purpose of hedging the Fund's portfolio from certain anticipated losses such as those resulting from unfavourable exchange rate movements. However, every hedge comes with a cost. In a move to mitigate the risk of uncertainty, the Fund is now exposed to the risk of opportunity loss. Once hedged, the Fund cannot take full advantage of favourable exchange 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 loses money, the act of hedging would have reduced the loss, if successfully hedged.

### **5.3 SPECIFIC RISKS OF INVESTING IN THE TARGET FUND**

#### **Market Risk**

There may be insufficient policies available that meet the Target Fund's investment criteria. Investment criteria is designed and implemented to target acquisition prices at favourable rates enabling the Target Fund to achieve its investment objectives. The Target Fund Manager has an extensive non-exclusive acquisition network which provides the Target Fund with a broad exposure to a variety of policy sources. The Target Fund Manager will also seek to acquire existing portfolios of policies in order to expedite the rate of investment and reduce cash drag.

#### **Counterparty Risk**

The Target Fund is subject to the inability of the U.S. life insurance companies to meet their liabilities when the policies mature. The Target Fund Manager monitors the life settlements portfolio to ensure that there is a sufficient diversification in terms of counterparties. Additionally, the credit ratings of all counterparties are monitored for any changes. When each life settlement is acquired, the counterparty credit rating must meet a minimum requirement as set out in the investment criteria.

#### **Currency Risk**

The risk to investors if costs are incurred in a different currency to the Target Fund's assets as well as the risk faced by investors who may be affected by a decrease in value of the asset's currency. At present the Target Fund Manager does not perform any currency hedging. In terms of ongoing running costs which are incurred in a different currency, these are always maintained at a level that is low when compared to the size of the overall Target Fund's USD assets. These fees include banking fees and audit costs only.



**Liquidity Risk**

Cash flow timing may result in the Target Fund being unable to maintain adequate liquidity to pay premiums, expenses and redemptions at all times. The Target Fund Manager follows a liquidity procedure for the Target Fund and aims to have sufficient liquidity available to cover ongoing reasonable costs of the Target Fund for a twelve (12) month period. Due to the illiquid nature of the assets (the maturity date is unknown and a potential sale of the assets may take several months to complete). The Target Fund Manager regularly monitors the Target Fund's liquidity buffer. Should this buffer reduce to shorter than six (6) months, the Target Fund Manager will contact the investors to request additional capital. The Target Fund Manager will also pursue open market opportunities to increase liquidity through the controlled disposal of assets.

**Longevity Risk**

Policies may not mature in line with expectation creating a negative impact on returns. The Target Fund Manager uses an in-house model / approach to mitigate / adjust for longevity risk prior to the acquisition of each policy. Additionally, the Target Fund Manager targets a risk adjusted rate of return by applying a mechanism which weights a number of key variables such as the probability of loss, the insurer's credit rating, the life expectancy length and its disparity when a number of estimates are used. Market information is used to update the in-house system on an ongoing basis.

**Increased Insurance Cost**

U.S. life insurance companies may revise the cost of insurance which will increase the future premium commitments of the Target Fund. The Target Fund Manager maintains regular contact with the insurance companies to ensure they receive the latest information regarding the policies owned by the Target Fund. Should policies within the portfolio be subject to future increases in cost, the Target Fund Manager immediately takes this into account within regular liquidity monitoring to determine whether the impact can be absorbed within the current liquidity buffer.

**Tax Risk/Legal Risk**

Changes to the current legal framework and tax changes could have a negative impact on the performance of the Target Fund. The Target Fund Manager has been active in the U.S. life settlement market since 2003 and has witnessed the market develop over time. Most of the U.S. states now have legislation in place which has helped to establish a more stable legal framework controlling the sourcing of life settlements policies. The Target Fund Manager uses its own legal advisor in the U.S. to keep informed of changes to the legislation and will inform investors about any material effect as soon as there is a better understanding of the potential impact, if any. Investors should however seek their own tax advice on their investment as the implication may be different for each personal circumstance.

**5.4 RISK MANAGEMENT STRATEGIES**

As part of the risk management strategies, we will:

- (i) conduct due diligence on the Target Fund; and
- (ii) monitor the risk management strategies employed at the Target Fund's level together with the Target Fund's adherence to its investment strategy.

**Liquidity Risk Management**

As part of our liquidity risk management, we may defer the redemption of Units if: (i) the total net redemptions received by us is more than 20% of the NAV of the Fund on a particular redemption cycle; and (ii) the Fund does not have sufficient liquidity to meet the redemption requests. We may defer the redemption of Units in excess of such 20% limit to the next redemption cycle and such redemption requests will be effected in priority to later redemption requests. We will pay the redemption proceeds on a staggered basis based on the redemption price as and when the Fund's investments are liquidated and the Units are redeemed. When such redemption limit is imposed on the Unit Holders, we will inform the Unit Holders in a timely

and appropriate manner of the deferment of redemption, and the redemption proceeds will be paid within forty-five (45) days from the relevant Redemption Processing Date.

However, if we have exhausted all possible avenues (including deferment of redemption requests when the total net redemptions received by us is more than 20% of the NAV of the Fund on a particular Valuation Day, if applicable) to avoid a suspension of the Fund, we may as a last resort, in consultation with the Trustee and having considered the interests of the Unit Holders, suspend the sale (if applicable) and redemption of Units under exceptional circumstances, where the market value or the fair value of a material portion of the Fund's assets cannot be determined. Where such suspension is triggered, we will inform all Unit Holders in a timely and appropriate manner of our decision to suspend the dealing in Units. During the suspension period, the redemption requests from the Unit Holders will not be accepted and such redemption requests will only be processed on the next redemption cycle once the suspension is lifted.

**IT IS IMPORTANT TO NOTE THAT AN INVESTMENT IN THE FUND CARRIES RISKS AND THE ABOVE LIST OF RISKS MAY NOT BE EXHAUSTIVE. WHILE EVERY CARE WILL BE TAKEN BY THE MANAGER TO MITIGATE THE RISK, INVESTORS ARE ADVISED THAT IT IS NOT ALWAYS POSSIBLE TO PROTECT INVESTMENTS AGAINST ALL RISKS.**

## 6. TRANSACTION INFORMATION

### 6.1 COMPUTATION OF NAV AND NAV PER UNIT

The NAV of the Fund means the total value of the Fund's assets less the Fund's expenses or liabilities incurred or accrued on a Valuation Day.

Below is an illustration on how the NAV of the Fund is calculated:

|                                                                                             | Fund<br>(USD)        | USD Class<br>(USD)                           | MYR Class<br>(USD)                          | MYR Hedged Class<br>(USD)                   |
|---------------------------------------------------------------------------------------------|----------------------|----------------------------------------------|---------------------------------------------|---------------------------------------------|
| Value of the Fund/Class                                                                     | 20,000,000.00        | 10,000,000.00                                | 5,000,000.00                                | 5,000,000.00                                |
| <b>Multi-class ratio<sup>^</sup></b>                                                        | <b>100%</b>          | <b>50%</b>                                   | <b>25%</b>                                  | <b>25%</b>                                  |
| Add: Income                                                                                 | 200,000.00           | 100,000.00                                   | 50,000.00                                   | 50,000.00                                   |
| Less: Expenses                                                                              | 100,000.00           | 50,000.00                                    | 25,000.00                                   | 25,000.00                                   |
| NAV before deducting management fee and trustee fee for the month                           | 20,100,000.00        | 10,050,000.00                                | 5,025,000.00                                | 5,025,000.00                                |
| Less: Management fee for the month (NAV of the Class x management fee / 365 days x 30 days) | 33,041.09            | (10,050,000.00 x 2.00% / 365 days x 30 days) | (5,025,000.00 x 2.00% / 365 days x 30 days) | (5,025,000.00 x 2.00% / 365 days x 30 days) |
|                                                                                             |                      | 16,520.55                                    | 8,260.27                                    | 8,260.27                                    |
| Less: Trustee fee for the month (NAV of the Class x trustee fee / 365 days x 30 days)       | 495.61               | (10,050,000.00 x 0.03% / 365 days x 30 days) | (5,025,000.00 x 0.03% / 365 days x 30 days) | (5,025,000.00 x 0.03% / 365 days x 30 days) |
|                                                                                             |                      | 247.81                                       | 123.90                                      | 123.90                                      |
| <b>Total NAV</b>                                                                            | <b>20,066,463.30</b> | <b>10,033,231.64</b>                         | <b>5,016,615.83</b>                         | <b>5,016,615.83</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 Valuation 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.

#### NAV per Unit

The NAV per Unit is calculated by dividing the NAV of the Class by the total number of Units in circulation of that Class at the valuation point.

Below is an illustration on how the NAV per Unit of a Class is calculated:

|                                                         | <b>Fund<br/>(USD)</b> | <b>USD Class<br/>(USD)</b> | <b>MYR Class<br/>(USD)</b> | <b>MYR Hedged Class<br/>(USD)</b> |
|---------------------------------------------------------|-----------------------|----------------------------|----------------------------|-----------------------------------|
| NAV                                                     | 20,066,463.30         | 10,033,231.64              | 5,016,615.83               | 5,016,615.83                      |
| Divide: Units in circulation                            |                       | 10,000,000                 | 20,000,000                 | 20,000,000                        |
| NAV per Unit of the Class                               |                       | USD1.0033                  | USD0.2508                  | USD0.2508                         |
| Conversion to MYR (at USD1.00:<br>RM4.00 exchange rate) |                       |                            | RM1.0033                   | RM1.0033                          |

*The NAV per Unit of each Class will be rounded up to 4 decimal places for the purposes of publication of the NAV per Unit.*

## **6.2 PRICING OF UNITS**

### **6.2.1 Single Pricing Policy**

We adopt a single pricing policy in calculating your application for and redemption of Units. Single pricing equates to sales and redemptions quoted and transacted on a single price (i.e., the offer price during the initial offer period and the NAV per Unit after the initial offer period).

The NAV per Unit is valued monthly at the next valuation point on a forward pricing basis.

### **6.2.2 Valuation of the Assets of the Fund**

#### **Units of the Target Fund**

The units of the Target Fund will be valued by reference to the last available net asset value price as provided by the Target Fund Manager.

#### **Unlisted collective investment schemes**

Unlisted collective investment schemes will be valued based on the last published repurchase price.

#### **Money market instruments**

Money market instruments will be valued based on accretion method using yield or discount rate at cost.

#### **Deposits**

Deposits will be valued by reference to the principal value and the accrued interest thereon for the relevant period.

#### **Derivatives**

Financial derivative instruments will be valued at fair value, as determined in good faith by the Manager on methods or bases that have been verified by the auditor of the Fund and approved by the Trustee. For foreign exchange forward contracts ('FX Forward'), the value of the FX Forwards will be sourced from the rates quoted or published by Maybank, Bloomberg or London Stock Exchange Group (LSEG) World Markets (WM)/Refinitiv. If the rates are not available on Maybank, Bloomberg or LSEG WM/Refinitiv, the FX Forwards will be valued based on fair value as determined in good faith by the Manager, using methods or bases which have been validated by the auditor of the Fund and approved by the Trustee.

#### **Foreign exchange rate conversion**

Where the value of an asset of the Fund is denominated in a currency other than the Base Currency, the assets are translated on a monthly basis to the Base Currency (i.e., USD) using the foreign exchange rates quoted by Maybank; if such rates are not available, then the bid foreign exchange rate quoted by either Bloomberg or LSEG WM/Refinitiv, at United Kingdom time 4.00 p.m. which is equivalent to 11.00 p.m. or 12.00 midnight (Malaysia time) on the same day.

### **6.2.3 Valuation of the Fund**

We will value the Fund at the end of the last day of each calendar month.

## **6.3 OTHER INFORMATION**

### **6.3.1 How to Keep Abreast of Development in the Fund**

We will provide you with an annual report and a quarterly report of the Fund via electronic mail within two (2) months after the end of the financial period that the report covers.

Updates, information or queries relating to the Fund and/or your investment in the Fund may be directed to us or our authorised distributors.

#### **6.3.2 Avenue for Advice**

You may contact our client services at 603-2288 8833 or fax to 603-2288 8889 or email us at [clientservices@opusasset.com](mailto:clientservices@opusasset.com) if you require further information relating to the Fund or this Information Memorandum.

#### **6.3.3 Unclaimed Money Policy**

Any moneys payable to you which remain unclaimed after two (2) years from the date of payment will be paid to the Registrar of Unclaimed Monies in accordance with the requirements of the Unclaimed Moneys Act, 1965.

#### **6.3.4 Modification to the Information Memorandum**

This Information Memorandum may be modified in any manner by a supplemental/replacement Information Memorandum lodged with the SC. For the avoidance of doubt, the consent of Unit Holders is not required for any modification to this Information Memorandum unless otherwise stated in the Deed.

## **7. THE MANAGER**

### **7.1 BACKGROUND INFORMATION**

You may obtain the information relating to our experience in operating unit trust funds at <https://www.opusasset.com/about-us/>.

### **7.2 ROLE OF THE MANAGER**

We are responsible for the operation and administration of the Fund, investment management and marketing of the Fund, servicing Unit Holders' needs, keeping proper administration records of Unit Holders and accounting records of the Fund, ensuring that the Units are correctly priced, ensuring compliance with stringent internal procedures and guidelines of relevant authorities and relevant laws.

### **7.3 THE DESIGNATED FUND MANAGER**

The designated fund manager of the Fund is Ng Lee Peng. Her profile can be found at <https://www.opusasset.com/about-us/investment-team/>.

**INVESTORS MAY VISIT THE MANAGER'S WEBSITE AT [www.opusasset.com](http://www.opusasset.com) FOR FURTHER INFORMATION ON THE MANAGER.**

## **8. THE TRUSTEE**

### **8.1 BACKGROUND OF THE TRUSTEE**

CIMB Commerce Trustee Berhad was incorporated on 25 August 1994 and registered as a trust company under the Trust Companies Act, 1949. The Trustee is qualified to act as a trustee for collective investment schemes approved under the CMSA. The Trustee has been involved in unit trust industry as trustee since 1996. It acts as trustee to various unit trust funds, real estate investment trust, wholesale funds, private retirement schemes and exchange-traded funds.

### **8.2 TRUSTEE'S ROLES, DUTIES AND RESPONSIBILITIES**

The Trustee's functions, duties and responsibilities are set out in the Deed. The general functions, duties and responsibilities of the Trustee include, but are not limited to, the following:

- (a) take into custody the investments of the Fund and hold the investments in trust for the Unit Holders;
- (b) ensure that the Manager operates and administers the Fund in accordance with the provisions of the Deed, the Guidelines and acceptable business practice within the fund management industry;
- (c) as soon as practicable notify the SC of any irregularity or breach of the provisions of the Deed, the Guidelines and any other matters which in the Trustee's opinions may indicate that the interests of Unit Holders are not served;
- (d) exercise reasonable diligence in carrying out its functions and duties, actively monitoring the operation and management of the Fund by the Manager to safeguard the interests of Unit Holders;
- (e) maintain or cause the Manager to maintain, proper accounting records and other records as are necessary to enable a complete and accurate view of the Fund to be formed and to ensure that the Fund is operated and managed in accordance with the Deed, this Information Memorandum, the Guidelines and securities law; and
- (f) require that the accounts of the Fund to be audited at least annually.

The Trustee has covenanted in the Deed that it will exercise all due diligence and vigilance in carrying out its functions and duties, and in safeguarding the rights and interests of Unit Holders.

### **8.3 TRUSTEE'S DELEGATE**

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

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

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



## **9. SALIENT TERMS OF THE DEED**

If your investments are made through an institutional unit trust scheme adviser (“Distributor”) which adopts the nominee system of ownership, you would not be deemed to be a Unit Holder under the Deed and as a result, your rights as an investor may be limited. Accordingly, we will only recognise the Distributor as a Unit Holder of the Fund and the Distributor shall be entitled to all the rights conferred to it under the Deed.

### **9.1 YOUR RIGHTS AND LIABILITIES AS A UNIT HOLDER**

A Unit Holder is a person registered in the register as a holder of Units or fractions of Units in the Fund which automatically accord him rights and interest in the Fund.

#### **Unit Holders’ Rights**

A Unit Holder has the right, amongst others:

- (a) to receive distributions of income and/or capital, if any;
- (b) to participate in any increase in the value of the Units;
- (c) to call for Unit Holders’ meetings and to vote for the removal of the Trustee or the Manager through a Special Resolution;
- (d) to receive annual and quarterly reports of the Fund; and
- (e) 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 Fund’s assets or be entitled to interfere with or question the exercise by the Trustee, or the Manager on the Trustee’s behalf, of the rights of the Trustee as the registered owner of such assets.

#### **Unit Holders’ Liabilities**

As a Unit Holder, and subject to the provisions of the Deed, your liabilities would be limited to the following:

- (a) no Unit Holder shall be liable for any amount in excess of the purchase price paid for the Units as determined in accordance with the Deed at the time the Units were purchased and any charges payable in relation thereto; and
- (b) a Unit Holder shall not be under any obligation to indemnify the Manager and/or the Trustee in the event that the liabilities incurred by the Manager and/or the Trustee in the name of or on behalf of the Fund pursuant to and/or in the performance of the provisions of the Deed exceed the value of the Fund’s assets, and any right of indemnity of the Manager and/or the Trustee shall be limited to recourse to the Fund.

### **9.2 PROVISIONS RELATING TO MEETINGS OF UNIT HOLDERS**

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

Every question arising at any Unit Holders’ meeting shall be decided in the first instance by a show of hands unless a poll be demanded or, if it be a question which under the Deed requires a Special Resolution a poll shall be taken. On a voting by show of hands every Unit Holder who is present in person or by proxy shall have one vote notwithstanding that a Unit Holder may hold Units in different classes of Units in the Fund.

#### **Quorum**

- (a) The quorum required for a meeting of the Unit Holders of the Fund or a Class, as the case may be, shall be 5 Unit Holders, whether present in person or by proxy; however,

if the Fund or a Class, as the case may be, has 5 or less Unit Holders, the quorum required for a meeting of the Unit Holders of the Fund or a Class, as the case may be, shall be 2 Unit Holders, whether present in person or by proxy.

- (b) 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 a Class, as the case may be, at the time of the meeting.
- (c) If the Fund or a Class, as the case may be, has only 1 remaining Unit Holder, such Unit Holder, whether present in person or by proxy, shall constitute the quorum required for the meeting of the Unit Holders of the Fund or a Class, as the case may be.

### **9.3 TERMINATION OF THE FUND**

#### **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.

The Manager shall be entitled to terminate the Fund and/or a Class, as the case may be, if the Fund/a Class is left with no Unit Holder.

Notwithstanding the above, the Manager may also, in its sole discretion and without having to obtain the prior approval of the Unit Holders, terminate the trust hereby created and wind up the Fund:

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

#### **Termination of a Class**

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

Notwithstanding the above, the Manager may, in its sole discretion and without having to obtain the prior approval of the Unit Holders, terminate a Class if, in the reasonable opinion of the Manager, it is impracticable or inadvisable to continue the Class and the termination of the Class is in the best interests of the Unit Holders of the Class.

## **10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS**

### **Related Party Transaction**

#### **The Manager**

As at 30 September 2025, we are not aware of any existing related party transactions or conflict of interest situations involving the Fund save for the transaction as disclosed below:

- Opus Services Sdn Bhd provides fund accounting and fund valuation services for the Fund. Both Opus Services Sdn Bhd and the Manager are within the same group of companies.

We have in place policies and procedures to deal with any conflict of interest and/or related party transactions situations. All transactions with related parties are to be executed on terms which (i) are best available to the Fund and (ii) no less favourable to the Fund than an arm's length transaction between independent parties.

#### **CIMB Commerce Trustee Berhad**

CIMB Commerce Trustee Berhad is the trustee of the Fund. Where applicable, there may be proposed related party transactions and/or conflict of interest involving or in connection with the Fund in the following events:

- (a) where the Fund invests in instrument(s) offered by CIMB Group;
- (b) where the Fund is being distributed by CIMB Group as institutional unit trust scheme adviser; and
- (c) where the assets of the Fund are being custodied by the CIMB Group as sub-custodian of this Fund (i.e. Trustee's delegate).

The Trustee has in place policies and procedures to deal with any conflict of interest situation. The Trustee will not make improper use of its position as the legal registered owner of the Fund's assets to gain, directly or indirectly, any advantage or cause detriment to the interests of the Unit holders.

#### **Policy on dealing with conflict of interest**

We will at all times act in your best interest and will not conduct ourselves in any manner that will result in a conflict of interest or potential conflict of interest. In the unlikely event that any conflict of interest arises, such conflict shall be resolved such that the Fund is not disadvantaged. We will not conduct transactions in any manner which will result in unnecessary costs or risk to the Fund.

In the unlikely event that we face conflicts in respect of our duties to the Fund and our duties to the other funds that we manage, we are obliged to act in the best interests of our investors and will seek to resolve any conflicts fairly and in accordance with the Deed and the relevant laws.

## 11. TAX ADVISER'S LETTER

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### **TAXATION ADVISER'S LETTER ON TAXATION OF THE FUND AND UNIT HOLDERS (Prepared for inclusion in this Information Memorandum)**

**PricewaterhouseCoopers Taxation Services Sdn Bhd**  
Level 10, Menara TH 1 Sentral, Jalan Rakyat  
Kuala Lumpur Sentral  
P.O.Box 10192  
50706 Kuala Lumpur

**The Board of Directors**  
Opus Asset Management Sdn Bhd  
B-19-2, Northpoint Offices  
Mid Valley City  
No.1, Medan Syed Putra Utara  
59200 Kuala Lumpur

22 October 2025

#### **TAXATION OF THE FUND AND UNIT HOLDERS**

Dear Sirs,

This letter has been prepared for inclusion in the Information Memorandum in connection with Opus Life Settlement Fund 1 ("the Fund").

The taxation of income for both the Fund and the Unit Holders are subject to the provisions of the Malaysian Income Tax Act, 1967 ("the Act"). The applicable provisions are contained in Section 61 of the Act, which deals specifically with the taxation of trust bodies in Malaysia.

#### **TAXATION OF THE FUND**

The Fund will be regarded as resident for Malaysian tax purposes since the Trustee of the Fund is resident in Malaysia.

##### **(1) Foreign Investments**

Generally, gross foreign-sourced income, including capital gains, remitted to Malaysia by Malaysian resident unit trusts will be subject to Malaysian income tax at the prevailing rate, currently at 24%.

Such income from foreign investments may be subject to taxes or withholding taxes in the specific foreign country. Subject to meeting the relevant prescribed requirements, the Fund in Malaysia is entitled for double taxation relief on any foreign tax suffered on the income in respect of overseas investment.

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### **Exemption from tax on foreign-sourced income (“FSI”) for unit trusts**

The Income Tax (Unit Trust in relation to Income Received in Malaysia from Outside Malaysia) (Exemption) Order 2024 provides a Malaysian resident unit trust, exemption from tax on FSI from all sources of income received in Malaysia.

To qualify for this tax exemption, unit trusts must satisfy one of the following conditions:

- a. The FSI has been subjected to foreign tax, with the source jurisdiction's minimum headline income tax rate being at least 15%; or
- b. The management company of the unit trust has met Economic Substance Requirements in Malaysia, which includes employing an adequate number of employees and incurring sufficient operating expenditure.

The exemption from income tax on FSI takes effect from 1 January 2024 until 31 December 2026\*.

[\*Budget 2026 announced on 10 October 2025 proposed that the exemption be extended to 31 December 2030. However, this proposal has not been gazetted yet.]

## **(2) Domestic Investments**

### **(i) General Taxation**

Subject to certain exemptions, the income of the Fund consisting of dividends or interest or profit<sup>1</sup> (other than interest and profit<sup>1</sup> which is exempt from tax) and other investment income derived from or accruing in Malaysia, after deducting tax allowable expenses, is liable to Malaysian income tax at the rate of 24 per cent.

Gains from disposal of Malaysian unlisted shares will be subject to Capital Gains Tax (“CGT”). Please refer to the CGT section below for further details.

### **(ii) Dividends and Other Exempt Income**

Malaysian companies adopt the single-tier system. Hence dividends received would be exempted from tax and the deductibility of expenses incurred against such dividend income would be disregarded. Dividends received from companies under the single-tier system would be exempted and there will not be any tax refunds available for single-tier dividends received.

The Fund may receive Malaysian dividends which are tax exempt. The exempt dividends may be received from investments in companies which had previously enjoyed or are currently enjoying the various tax incentives provided under the law. The Fund will not be taxable on such exempt income.

Interest or profit<sup>1</sup> derived from the following investments is exempt from tax:

- (a) Interest or profit<sup>1</sup> paid or credited by any bank or financial institution licensed under the Financial Services Act 2013 and Islamic Financial Services Act 2013;

<sup>1</sup> Under Section 2(7) of the Income Tax Act 1967, any reference to interest shall apply, *mutatis mutandis*, to gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of Shariah.

The effect of this is that any gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of Shariah, will be accorded the same tax treatment as if they were interest.



- (b) Interest or profit<sup>1</sup> paid or credited by any development financial institution regulated under the Development Financial Institutions Act 2002;
- (c) Bonds, other than convertible loan stocks, paid or credited by any company listed in Bursa Malaysia Securities Berhad ACE Market; and
- (d) Interest or profit<sup>1</sup> paid or credited by Malaysia Building Society Berhad<sup>2</sup>.

The interest or profit<sup>1</sup> or discount income exempted from tax at the Fund level will also be exempted from tax upon distribution to the Unit Holders.

Exception:

i. Wholesale money market fund

The exemption shall not apply to interest paid or credited to a unit trust that is a wholesale money market fund.

ii. Retail money market fund ("RMMF")

The interest or profit<sup>1</sup> income of a RMMF will remain tax exempted under Paragraph 35A, Schedule 6 of the Act. However, resident and non-resident Unit Holders (other than individual Unit Holders), who receive income distributed from interest or profit<sup>1</sup> income of the RMMF which are exempted under Paragraph 35A of Schedule 6, will be subject to withholding tax ("WHT") at the rate of 24 per cent.

The WHT is to be withheld and remitted by the RMMF to the tax authorities within 30 days upon distribution of the income to the Unit Holders.

### **(3) Hedging Instruments**

The tax treatment of hedging instruments would depend on the particular hedging instruments entered into.

Generally, any gain / loss relating to the principal portion will be treated as capital gain / loss. Gains / losses relating to the income portion would normally be treated as revenue gains / losses. The gain / loss on revaluation will only be taxed or claimed upon realisation. Any gain / loss on foreign exchange is treated as capital gain / loss if it arises from the revaluation of the principal portion of the investment.

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<sup>2</sup> Exemption granted through letters from Ministry of Finance Malaysia dated 11 June 2015 and 16 June 2015 and it is with effect YA 2015.



#### (4) Real Property Gains Tax (“RPGT”)

Gains on disposal of real properties would be subject to RPGT as follows: -

| Disposal time frame                              | RPGT rates<br>(Companies incorporated in Malaysia<br>and Trustee of a trust) |
|--------------------------------------------------|------------------------------------------------------------------------------|
| Within 3 years                                   | 30%                                                                          |
| In the 4 <sup>th</sup> year                      | 20%                                                                          |
| In the 5 <sup>th</sup> year                      | 15%                                                                          |
| In the 6 <sup>th</sup> year and subsequent years | 10%                                                                          |

Capital gains tax (“CGT”) will be applicable on the gains from sale of Malaysian unlisted shares instead. Please refer to the section on CGT.

#### (5) Capital Gains Tax (“CGT”)

CGT has been introduced in Malaysia and will be imposed on gains from the disposal of Malaysian unlisted shares.

CGT will be imposed on the disposal of Malaysian unlisted shares by companies, Limited Liability Partnerships, cooperatives and trust bodies (which include unit trusts).

The CGT rate to be imposed is as follows:

| Shares Acquisition Date | CGT Rate                                                                                                                 |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------|
| Before 1 January 2024   | The taxpayers may choose:<br>i. 10% on the net gain of the disposal of shares; or<br>ii. 2% on the gross disposal price. |
| From 1 January 2024     | 10% on the net gain of the disposal of shares                                                                            |

“shares” has been defined as in relation to a company, includes stock other than debenture stock.

#### (6) Tax Deductible Expenses

Expenses wholly and exclusively incurred in the production of gross income are allowable as deductions under Section 33(1) of the Act. In addition, Section 63B of the Act provides for tax deduction in respect of managers’ remuneration, expenses on maintenance of the register of Unit Holders, share registration expenses, secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postages based on a formula subject to a minimum of 10 per cent and a maximum of 25 per cent of the expenses.





#### **(7) Sales and Service Tax (“SST”)**

Sales tax will be chargeable on taxable goods manufactured in Malaysia by registered manufacturer or imported into Malaysia, unless specifically exempted by the Minister. Whereas, only specific taxable services provided by specific taxable persons will be subject to service tax. Sales tax and service tax are single stage taxes. As such, SST incurred would generally form an irrecoverable cost to the business. The rates for sales tax are nil, 5 per cent, 10 per cent or a specific rate whereas the rate for service tax is at 8 per cent for all prescribed taxable services with certain exceptional taxable services at 6 per cent.

Certain brokerage, professional, consultancy or management services obtained by the Fund may be subject to service tax at 8 percent.

Service tax will apply to any taxable service that is acquired by any business in Malaysia from a non-Malaysian service provider. In this connection, the Fund, being non-taxable person who acquire imported taxable services (if any) will need to declare its imported taxable services through the submission of prescribed declaration..

Service tax on digital services was implemented at the rate of 8 per cent. Under the service tax on digital services, foreign service providers selling digital services to Malaysian consumers are required to register for and charge service tax. Digital services are defined as services which are delivered or subscribed over the internet or other electronic network, cannot be delivered without the use of IT and the delivery of the service is substantially automated.

Furthermore, the provision of digital services has also been prescribed as a taxable service when provided by a local service provider. Hence, where the Fund obtains any of the prescribed digital services, those services may be subject to service tax at 8 percent.

The scope of Sales Tax and Service Tax has been expanded with effect from 1 July 2025, with the relevant gazette orders being issued. Certain financial services are currently exempted from service tax until further notice.

The scope of service tax is expanded to include financial services. An 8% service tax rate will be imposed on fee or commission-based services.

Exemption will be granted for certain financial services such as basic banking, interest or profit based Islamic financing, foreign exchange, capital market gains, etc. Additionally, exemptions will be available for shariah-compliant arrangements and service providers for Bursa Malaysia and Labuan.

With the expansion of service tax scope, fund management services will be subject to tax at 8 percent.

#### **TAXATION OF UNIT HOLDERS**

Unit Holders will be taxed on an amount equivalent to their share of the total taxable income of the Fund to the extent of the distributions received from the Fund. The income distribution from the Fund will carry a tax credit in respect of the Malaysian tax paid by the Fund. Unit Holders will be entitled to utilise the tax credit against the tax payable on the income distribution received by them. Generally, no additional withholding tax will be imposed on the income distribution from the Fund; unless the Fund is an RMMF, in which case there is a WHT on distribution from interest income of a RMMF which are exempted under Paragraph 35A of Schedule 6 and distributed to non-individual Unit Holders.

Non-resident Unit Holders may also be subject to tax in their respective jurisdictions. Depending on the provisions of the relevant country's tax legislation and any double tax treaty with Malaysia, the Malaysian tax suffered may be creditable against the relevant foreign tax.





Corporate Unit Holders, resident<sup>3</sup> and non-resident, will generally be liable to income tax at 24 per cent on distribution of income received from the Fund. The tax credits attributable to the distribution of income can be utilised against the tax liabilities of these Unit Holders.

Individuals and other non-corporate Unit Holders who are tax resident in Malaysia will be subject to income tax at graduated rates ranging from 1 per cent to 30 per cent. Individuals and other non-corporate Unit Holders who are not resident in Malaysia will be subject to income tax at 30 per cent. The tax credits attributable to the distribution of income can be utilised against the tax liabilities of these Unit Holders.

The distribution of exempt income by the Fund will be exempted from tax in the hands of the Unit Holders.

Any gains realised by Unit Holders (other than those in the business of dealing in securities, insurance companies or financial institutions) on the sale or redemption of the Units are treated as capital gains and will not be subject to income tax. This tax treatment will include in the form of cash or residual distribution in the event of the winding up of the Fund.

Unit Holders electing to receive their income distribution by way of investment in the form of new units will be regarded as having purchased the new Units out of their income distribution after tax.

Unit splits issued by the Fund are not taxable in the hands of Unit Holders.

#### Retail Money Market Fund ("RMMF")

Resident and non-resident corporate Unit Holders (other than individual Unit Holders), who receive income distributed from interest or profit<sup>4</sup> income of a RMMF which are exempted under Paragraph 35A of Schedule 6, will be subject to WHT at the rate of 24 per cent.

For resident corporate Unit Holders, the WHT is not a final tax. The resident corporate Unit Holders will need to subject the income distributed from interest or profit<sup>4</sup> income of a RMMF which are exempted under Paragraph 35A of Schedule 6 to tax in its income tax returns and the attached tax credit i.e. the 24 per cent WHT suffered will be available for set-off against the tax chargeable on the resident corporate Unit Holders.

For non-resident Corporate Unit Holders, the 24 per cent WHT on income distributed from interest or profit<sup>4</sup> income of a RMMF which are exempted under Paragraph 35A of Schedule 6, is a final tax.

<sup>3</sup> Resident companies with paid up capital in respect of ordinary shares of RM2.5 million and below and having an annual sales of not more than RM50 million will pay tax at 15% for the first RM150,000 of chargeable income, 17% for RM150,001 to RM600,000 with the balance taxed at 24% with effect from YA 2023.

The above shall not apply if more than –

- (a) 50% of the paid up capital in respect of ordinary shares of the company is directly or indirectly owned by a related company;
- (b) 50% of the paid up capital in respect of ordinary shares of the related company is directly or indirectly owned by the first mentioned company;
- (c) 50% of the paid up capital in respect of ordinary shares of the first mentioned company and the related company is directly or indirectly owned by another company.

"Related company" means a company which has a paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of the basis period for a YA.

Additional shareholding condition of not more than 20% of the paid up capital or capital contribution, at the beginning of a YA is directly own or indirectly by one or more:

- Companies incorporated outside of Malaysia, or
- individuals who are not Malaysian citizens,

which is required to be observed from YA 2024.

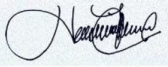


We hereby confirm that the statements made in this report correctly reflect our understanding of the tax position under current Malaysian tax legislation. Our comments above are general in nature and cover taxation in the context of Malaysian tax legislation only and do not cover foreign tax legislation. The comments do not represent specific tax advice to any investors, and we recommend that investors obtain independent advice on the tax issues associated with their investments in the Fund.

Yours faithfully,

for and on behalf of

**PRICEWATERHOUSECOOPERS TAXATION SERVICES SDN BHD**

DocuSigned by:  
  
7317F50B1DF24A0...

Jennifer Chang  
Partner

PricewaterhouseCoopers Taxation Services Sdn Bhd have given their written consent to the inclusion of their report as taxation adviser in the form and context in which they appear in this Information Memorandum and have not, before the date of issue of the Information Memorandum, withdrawn such consent.