

# **INFORMATION MEMORANDUM**

## **For**

### **OPUS GLOBAL INCOME FUND**

Dated 18 December 2015

#### **Managed by**

**OPUS ASSET MANAGEMENT SDN BHD** (414625-T)

A company incorporated in Malaysia under the Companies Act 1965

#### **Trustee**

**DEUTSCHE TRUSTEES MALAYSIA BERHAD** (763590-H)

A company incorporated in Malaysia and registered as a trust company under the Trust Companies Act 1949

**Investors are advised to read and understand the contents of the information memorandum before subscribing to the wholesale fund. If in doubt, please consult a professional adviser.**

## **Responsibility Statement**

This information memorandum has been seen and approved by the directors of the Manager 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 the omission of which would make any statement herein misleading.

## **Statements of Disclaimer**

This information memorandum has been lodged with the Securities Commission Malaysia and shall not be taken to indicate that the Securities Commission Malaysia recommends the investment of Opus Global Income Fund.

The Securities Commission Malaysia will not be liable for any non-disclosure on the part of the Opus Asset Management Sdn Bhd and takes no responsibility for the contents of this information memorandum, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from, or in reliance upon the whole or any part of the content of this information memorandum.

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

## **Risk Disclosure Statements**

In the event some of the underlying investments of Opus Global Income Fund are not actively traded, potential investors are warned that under such circumstances, they may face difficulties in redeeming their investments.

Investors are advised to read this information memorandum and obtain professional advice before subscribing to Opus Global Income Fund.

## **Additional Statement**

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

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

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**TAXATION ADVISER'S LETTER**

*(Included behind)*

# 1 DEFINITIONS

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

<b>“Act”</b>	means Capital Markets and Services Act 2007 as may be amended from time to time
<b>“Application Form”</b>	means the application form for the purchase of Units which will be provided by the Manager from time to time
<b>“Auditor”</b>	means PricewaterhouseCoopers (AF 1146)
<b>“BNM”</b>	means Bank Negara Malaysia
<b>“Bursa Malaysia”</b>	means the stock exchange managed and operated by Bursa Malaysia Securities Berhad
<b>“Business Day”</b>	means a day on which either Bursa Malaysia is open for trading or a day on which the banks in Kuala Lumpur are open for business and/or such other day or days as the Manager may from time to time determine
<b>“Cash Produce”</b>	means all cash receivable by the Trustee in the form of dividends, bonuses and interest, rebates and fees, the proceeds of sale of rights and other cash received pursuant to Clause 9.1.6 and paragraph (b) of Clause 9.1.3 of the Deed, any profit from the sale of the assets of the Fund and any other sum having the nature of income which the Manager and Trustee, having consulted the Auditor, deem to be Cash Produce
<b>“Commencement Date”</b>	means the date of this Information Memorandum
<b>“Deed”</b>	means the First Master Supplemental Deed dated 15 November 2010 as amended by the Second Master Supplemental Deed dated 28 January 2011, the Third Master Supplemental Deed dated 1 July 2011, the Fourth Master Supplemental Deed dated 15 December 2011, the Fifth Master Supplemental Deed dated 28 June 2012, the Sixth Master Supplemental Deed dated 20 November 2013, the Seventh Master Supplemental Deed dated 28 October 2014, the Eighth Master Supplemental Deed dated 27 July 2015 and the Ninth Master Supplemental Deed dated 26 October 2015 entered into between the Manager and the Trustee in respect of the Fund as may be modified from time to time.
<b>“Fund” or “Opus GIF”</b>	means Opus Global Income Fund
<b>“Guidelines”</b>	means Guidelines on Unlisted Capital Market Products Under the Lodge and Launch Framework issued by the SC on 9 March 2015 as may be amended from time to time.
<b>“GST”</b>	refers to the tax levied on goods and services pursuant to the Goods and Services Tax Act 2014

**"Investor(s)"**

means a Qualified Investor who fall under any of the following category of investors and qualifying criteria:-

<b>Qualified Investors</b>	
<b>Category of Investors</b>	<b>Qualifying Criteria</b>
<b>High Net-Worth Individual</b>	(a) An individual whose total net personal assets, or total net joint assets with his or her spouse, exceed three million ringgit or its equivalent in foreign currencies, excluding the value of the individual's primary residence;
	(b) An individual who has a gross annual income exceeding three hundred thousand ringgit or its equivalent in foreign currencies per annum in the preceding twelve months; and/or
	(c) An individual who, jointly with his or her spouse, has a gross annual income exceeding four hundred thousand ringgit or its equivalent in foreign currencies in the preceding twelve months.
<b>High Net-Worth Entity</b>	a) A corporation with total net assets exceeding RM10 million or its equivalent in foreign currencies based on the last audited accounts.
	b) A partnership with total net assets exceeding RM10 million or its equivalent in foreign currencies.
	c) A company that is registered as a trust company under the Trust Companies Act 1949 [Act 100] which has assets under management exceeding RM10 million or its equivalent in foreign currencies.
	d) A corporation that is a public company under the Companies Act 1965 [Act 125] which is approved by the SC to be a trustee under the Act and has assets under management exceeding RM10 million or its equivalent in foreign currencies.

	e) A pension fund approved by the Director General of Inland Revenue under section 150 of the Income Tax Act 1967 [Act 53].
	f) A statutory body established by an Act of Parliament or an enactment of any State.
<b>Accredited Investor</b>	a) A holder of Capital Markets Services Licence.
	b) A unit trust scheme or a prescribed investment scheme.
	c) A closed-end fund approved by the SC.
	d) A licensed institution as defined in the Financial Services Act 2013.
	e) An Islamic bank as defined in the Financial Services Act 2013.
	f) A bank licensee or insurance licensee as defined under the Labuan Financial Services and Securities Act 2010 [Act 704].
	g) An Islamic bank licensee or takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010 [Act 705].
	h) An insurance company registered under the Insurance Act 1996 [Act 553].
	i) A takaful operator registered under the Takaful Act 1984 [Act 312].
	j) A private retirement scheme.

**“the Manager”**

means Opus Asset Management Sdn Bhd (414625-T)

**“MARC”**

means Malaysian Rating Corporation Berhad (364803-V)

**“Net Asset Value of the Fund” or “NAV”**

is determined by deducting the value of all the Fund’s liabilities from the value of all the Fund’s assets, as at the Valuation Point, except that, for the purpose of computing the annual management fee and annual trustee fees, the Net Asset Value of the Fund should be inclusive (that is, before any deduction) of the management fee and trustee fee for the relevant day

<b>"Net Asset Value Per Unit" or "NAV per Unit"</b>	is the Net Asset Value of the Fund at a particular Valuation Point divided by the number of Units of the Fund in circulation at the same Valuation Point
<b>"Information Memorandum"</b>	means this information memorandum in respect of the Fund which has been deposited with the SC
<b>"RAM"</b>	means RAM Holdings (208095-U)
<b>"Relevant Authorities"</b>	means any governmental or statutory authority with the power to regulate the securities industry in Malaysia and/or having jurisdiction over the Manager and/or the Trustee and includes, without limitation, the SC
<b>"Relevant Laws"</b>	means laws, rules, regulations, guidelines and directives passed or issued by any relevant authority relating to or connected with the fund management industry in Malaysia
<b>"Redemption Form"</b>	is the form for the request for redemption of Units which will be provided by the Manager from time to time
<b>"SC"</b>	means Securities Commission Malaysia established under the Securities Commission Act 1993
<b>"Special Resolution"</b>	means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed and carried by a majority in number representing not less than three-fourths of the Unit Holders voting at the meeting in person or by proxy upon a show of hands or if a poll is duly demanded, a majority in number representing at least three-fourths of the value of the Units held by the Unit Holders voting at the meeting in person or by proxy.
<b>"Tax Adviser"</b>	means PricewaterhouseCoopers Taxation Services Sdn Bhd (464731-X)
<b>"Trustee"</b>	means Deutsche Trustees Malaysia Berhad (763590-H ) and its successor-in-title
<b>"Unit"</b>	is a measurement of the right or interest of a Unit Holder in the Fund and means a Unit of the Fund
<b>"Unit Holder"</b>	means the person for the time being who is registered as a holder of Units
<b>"Valuation Point"</b>	means the end of every Business Day or such other time as determined by the Manager from time to time



## 2 CORPORATE DIRECTORY

### 2.1 Manager

**Manager :** Opus Asset Management Sdn Bhd (414625-T)

**Registered Office :** 2<sup>nd</sup> Floor, No. 2 - 4 Jalan Manau,  
50460 Kuala Lumpur  
Telephone: + 60 3 2273 1221  
Facsimile: + 60 3 2273 1220

**Business Address :** B-19-2, Northpoint Offices,  
Mid Valley City,  
No.1, Medan Syed Putra Utara,  
59200 Kuala Lumpur  
Telephone: + 60 3 2288 8882  
Facsimile: + 60 3 2288 8889

**Manager's Delegate –**  
(External Fund Accounting &  
Valuation Agent) : Deutsche Bank (Malaysia) Berhad (312552-W)  
Level 18-20 Menara IMC  
8 Jalan Sultan Ismail  
50250 Kuala Lumpur  
Telephone: + 60 3 2053 6788  
Facsimile: + 60 3 2031 8710

### 2.2 Board of Directors of the Manager

<b><u>Name</u></b>	<b><u>Designation</u></b>
Shaun Chan Choong Kong	Chairman / Non-Independent Director
Siaw Wei Tang	Managing Director / Chief Investment Officer
Azam bin Azman	Non-Independent Director
Mohamed Ross bin Mohd Din	Independent Director

### 2.3 Trustee

**Trustee :** Deutsche Trustees Malaysia Berhad (763590-H)  
Level 20, Menara IMC  
8 Jalan Sultan Ismail  
50250 Kuala Lumpur  
Telephone: + 60 3 2053 7522  
Facsimile: + 60 3 2053 7526

**Trustee's Delegate –**  
(local custodian) : Deutsche Bank (Malaysia) Berhad (312552-W)  
Level 18-20 Menara IMC  
8 Jalan Sultan Ismail  
50250 Kuala Lumpur  
Telephone: + 60 3 2053 6788  
Facsimile: + 60 3 2031 8710

## **2.4 Auditor**

**Auditor :** PricewaterhouseCoopers (AF1146)  
Level 10, 1 Sentral  
Jalan Rakyat  
Kuala Lumpur Sentral  
P.O. Box 10192  
50706 Kuala Lumpur  
Telephone: + 60 3 2173 1188  
Facsimile: + 60 3 2173 1288

## **2.5 Tax Adviser**

**Tax Adviser :** PricewaterhouseCoopers Taxation Services Sdn Bhd (464731-X)  
Level 10, 1 Sentral  
Jalan Rakyat  
Kuala Lumpur Sentral  
P.O. Box 10192  
50706 Kuala Lumpur  
Telephone: + 60 3 2173 1188  
Facsimile: + 60 3 2173 1288

## **2.6 Company Secretary**

**Company Secretary :** Soong Yoke Yin (MAICSA 7020986)  
Chang Yoke Yin (MAICSA 7003097)  
Ikhtisas Associates Sdn Bhd (544684-U)  
2<sup>nd</sup> Floor, No. 2 - 4, Jalan Manau  
50460 Kuala Lumpur  
Telephone: + 60 3 2273 1221  
Facsimile: + 60 3 2273 1220

### 3. KEY DATA ON THE FUND

#### 3.1 About the Fund

<b>Name of Fund</b>	Opus Global Income Fund ("Fund" or "Opus GIF")						
<b>Fund Type</b>	Income						
<b>Fund Category</b>	Fixed Income						
<b>Investment Objective</b>	<p>To achieve higher returns compared to benchmark over a medium to long-term* period from investments in a diversified portfolio of fixed income securities in various currencies.</p> <p><i>* Note: The Manager regards 3 to 5 years as medium-term and more than 5 years as long-term.</i></p>						
<b>Investment Strategy</b> [for full details on the investment strategy, please refer to Section 4.2]	<p>The Fund seeks to achieve its objective by investing in a diversified portfolio of bonds and liquid assets. The Fund's investment may vary from sovereign to quasi-sovereign and corporate (listed and unlisted).</p> <p>The Fund's investment maturity profile is subject to active maturity structure management based on the interest rate outlook without any portfolio maturity limitation. This means, the Fund may invest in bonds, money market instruments, placement of deposits and other permitted investments with varying maturities.</p> <p>The Fund may invest in foreign fixed income securities where the regulatory authority is an ordinary or associate member of the International Organization of Securities Commission (IOSCO).</p> <p>The key foreign markets where the Fund may seek to invest in are as follows but not limited to:</p> <ul style="list-style-type: none"> <li>▪ United States of America</li> <li>▪ United Kingdom</li> <li>▪ Singapore</li> <li>▪ Hong Kong</li> <li>▪ Switzerland</li> <li>▪ France</li> <li>▪ Germany</li> <li>▪ Australia</li> </ul>						
<b>Investors' Profile</b>	<p>The Fund is suitable for investors who:-</p> <ul style="list-style-type: none"> <li>▪ have medium to long term* investment horizon;</li> <li>▪ are seeking greater diversification in their fixed income investment holdings through exposure in global fixed income securities; and</li> <li>▪ have medium to high risk tolerance.</li> </ul> <p><i>* Note: The Manager regards 3 to 5 years as medium-term and more than 5 years as long-term.</i></p>						
<b>Asset Allocation</b>	<table border="1"> <thead> <tr> <th>Asset Class</th> <th>% of Fund's NAV</th> </tr> </thead> <tbody> <tr> <td>Bonds, money market instruments and placement of deposits</td> <td>Minimum 70%</td> </tr> <tr> <td>Other permitted investments</td> <td>Maximum 30%</td> </tr> </tbody> </table>	Asset Class	% of Fund's NAV	Bonds, money market instruments and placement of deposits	Minimum 70%	Other permitted investments	Maximum 30%
Asset Class	% of Fund's NAV						
Bonds, money market instruments and placement of deposits	Minimum 70%						
Other permitted investments	Maximum 30%						

**Principal Risks in Investing in the Fund**

[for full details on the principal risks, kindly refer to Chapter 5]

- Market Risk
- Fund Management Risk
- Non-Compliance Risk
- Operational Risk
- Returns are not guaranteed
- Interest Rate Risk
- Credit/Default Risk
- Liquidity Risk
- Inflation/Purchasing Power Risk
- Counter Party Risk
- Concentration Risk
- Currency Risk
- Country Risk
- Hedging Risk

**Base currency**

Ringgit Malaysia (RM)

**Benchmark**

Maybank, 12-Month Fixed Deposit Rate

*Note: The Fund and the benchmark have differing risk profiles where the Fund will assume higher risks.*

**Pricing basis**

The Fund Manager is adopting the single pricing method in calculating a Unit Holder's investment for subscription and redemption of Units. The pricing for subscription and redemption is the NAV per Unit of the Fund and shall be determined based on forward pricing\* after a request to subscribe or redeem is received by the Manager in a proper form.

*\* Note: (i) Forward pricing for subscription is effected at the NAV per Unit of the Fund calculated at the end of each Business Day.*

*(ii) Forward pricing for redemption is effected at the NAV per Unit of the Fund calculated on the fifth (5<sup>th</sup>) Business Day from the Redemption Processing Date (inclusive)*

*Please refer to Section 7.2.1 and 7.2.2 for details.*

**Financial Year**

The period of twelve (12) months ending on 31 Dec of every calendar year. The first financial year of the Fund shall commence on the Commencement Date and end on 31 Dec 2016.

**Duration**

The duration of the Fund is indefinite and may be terminated by the Manager at any time in accordance with the Deed.

**3.2 Fees and Charges**

All fees, charges and expenses payable by the Unit Holder are subject to GST at a rate of 6% or such other prescribed rate as may be imposed from time to time, and incurred by the Unit Holder directly when purchasing or redeeming Units of the Fund and indirectly when investing in the Fund. The fees, charges and expenses disclosed are exclusive of GST or any other taxes or duties that may be imposed by the government or other Relevant Authorities from time to time.

This table describes the charges that the investor may **directly** incur when he/she buys or redeems Units:

<b>Sales Charge</b>	Up to 2.00% of the NAV per unit.
<b>Redemption Charge</b>	Nil
<b>Switching Fee</b>	Nil
<b>Transfer Fee</b>	Nil
<b>Exit fee</b>	Nil
<b>Other Charges</b>	<p>Charges, including bank charges, telegraphic charges and courier charges, incurred in order to execute a transaction on behalf of the investor, shall be borne by the Fund.</p> <p>Bank charges for subscription or redemption incurred by the Unit Holders shall be borne by the Unit Holders.</p> <p>The Manager, with the consent of the Trustee, reserves the right to impose other charges.</p>

This table describes the fees that the investor may **indirectly** incur when he/she invests in the Fund:-

<b>Annual Management Fee</b>	Up to 1.25% per annum of the NAV of the Fund calculated daily and payable on a monthly basis.
<b>Annual Trustee Fee</b> [for full details, please refer to Section 6.2]	Up to 0.05% per annum of the NAV of the Fund calculated daily and payable on a monthly basis subject to a minimum of RM12,000 per annum or any other lower amount as may be agreed between the Trustee and the Manager (excluding foreign custodian fees and charges).
<b>List of Expenses directly related to the Fund</b> [for full details, please refer to Section 6.3]	<ul style="list-style-type: none"> <li>▪ Auditors' fee and charges;</li> <li>▪ Tax Adviser's fee charges;</li> <li>▪ Taxes and duties charges by the government and relevant authorities;</li> <li>▪ Printing and delivery of tax vouchers;</li> <li>▪ Printing and delivery charges of monthly statement, quarterly reports, annual reports and any other reports required by the Relevant Authorities to be issued by the Manager in relation to the Fund;</li> <li>▪ Valuation fee, charges and expenses required for valuation of any investment of the Fund by any independent valuers for the benefit of the Fund;</li> <li>▪ Any tax such as GST and/or other indirect or similar 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 charges permitted by the Deed.</li> </ul> <p>The above charges are accrued daily.</p>

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

### 3.3 Transaction Details

<b>Minimum Initial Investment</b>	RM250,000 or such other amount as may be determined by the Manager from time to time.
<b>Minimum Additional Investment</b>	RM10,000 or such other amount as may be determined by the Manager from time to time.
<b>Minimum Redemption</b>	10,000 units or such other amount as may be determined by the Manager from time to time.
<b>Minimum Holding per Unit Holder</b>	10,000 units or such other amount as may be determined by the Manager from time to time.
<b>Initial Offer Price</b>	RM1.00 per unit.
<b>Initial Offer Period</b>	The period of seven (7) Business Days from the date of Information Memorandum.
<b>Conditions for Subscription</b> [for details, please refer to Section 7.2]	<p>Application for subscription can be made on any Business Day by sending the Application Form to the Manager. The processing of applications for subscription of Units, completed documents and cleared funds shall be provided before 4.00 p.m. on every Business Day.</p> <p>Units will then be effected at the NAV per Unit of the Fund calculated at the end of the Business Day. For any Application Form received after 4.00 p.m., the application will be processed on the next Business Day.</p>
<b>Conditions for Redemption</b> [for details, please refer to Section 7.2]	<p>Application for redemption can be made on any Business Day by sending the Redemption Form to the Manager.</p> <p>The processing of applications for redemption of Units shall be made before 4.00 p.m. on every Business Day. Units will be redeemed and effected at the NAV per Unit of the Fund calculated on the fifth (5<sup>th</sup>) Business Day from the Redemption Processing Date (inclusive). For any Redemption Form received after 4.00 p.m., the Redemption Processing Date will be the next Business Day.</p> <p>The payment for redemption will be made within six (6) Business Day from the date where the NAV per Unit of the Fund is effected (inclusive).</p>
<b>Frequency of Processing Subscription</b>	Every Business Day before 4.00 p.m. (subject to Conditions for Subscription outlined above)
<b>Frequency of Processing Redemption</b>	Every Business Day before 4.00 p.m. (subject to Conditions for Redemption outlined above)

### **Manager's Rights**

The Manager, for any reason at any time, may reduce or waive the amount of any fees (except for the trustee fees) or other charges payable by the Unit Holder in respect of the Fund, either generally (for all Unit Holders) or specifically (for any particular Unit Holder) and for any period of time at its absolute discretion.

The Manager reserves the right to accept or reject any application in whole or part thereof without assigning any reason.

## **3.4 Distribution Policy**

### **Distribution Policy**

[for details, please refer to Section 7.3]

Subject to the availability of income, the Fund aims to distribute income at least once a year.

### **Reinvestment Policy**

[for details, please refer to Section 7.3]

If an Investor opts for reinvestments, all reinvestments will be made at the NAV per Unit at the income payment date which is within two (2) Business Days after the income distribution date. There is no sales charge imposed for such reinvestment of Units.

## **4 THE FUND**

This part of the Information Memorandum sets out details of the Manager's investment policies and the Fund's investment objective, strategy, permitted investments and investment restrictions.

### **4.1 Investment Objective**

The Fund aims to achieve higher returns compared to benchmark over a medium to long-term\* period from investments in a diversified portfolio of fixed income securities in various currencies.

*\* Note: The Manager regards 3 to 5 years as medium-term and more than 5 years as long-term.*

**Any material changes to the Fund's investment objective would require the Unit Holders' approval PRIOR to the implementation of such changes and a supplementary/replacement Information Memorandum and supplemental deed will be lodged to the SC as soon as practicable.**

#### **4.1.1 Investor's Profile**

The Fund is suitable for investors who:

- have medium to long term\* investment horizon
- are seeking greater diversification in their fixed income investment holdings through exposure in global fixed income securities
- have medium to high risk tolerance

*\* Note: The Manager regards 3 to 5 years as medium-term and more than 5 years as long-term.*

## 4.2 Asset Allocation

The Fund's asset allocation range is as follows:-

<b>Asset Class</b>	<b>% of Fund's NAV</b>
Bonds, money market instruments and placement of deposits	Minimum 70%
Other permitted investments	Maximum 30%

## 4.3 Investment Strategy

The Fund seeks to achieve its objective by investing in a diversified portfolio of bonds and liquid assets. The Fund's investments vary from sovereign to quasi-sovereign and corporate (listed and unlisted).

The Fund's investment maturity profile is subject to active maturity structure management based on the interest rate outlook without any portfolio maturity limitation. This means, the Fund may invest in bonds, money market instruments, placement of deposits and other permitted investments with varying maturities.

The Fund may invest in foreign fixed income securities where the regulatory authority is an ordinary or associate member of the International Organization of Securities Commission (IOSCO).

The key foreign markets where the Fund may seek to invest in are as follows but not limited to:

- United States of America
- United Kingdom
- Singapore
- Hong Kong
- Switzerland
- France
- Germany
- Australia

The Fund may invest in fixed income securities of any currencies, with the key currencies being USD, SGD, MYR and AUD. The Fund's investments in fixed income instruments of various currencies are based on the currency outlook against the base currency (RM) and may or may not be hedged.

### **Temporary Defensive Positions**

The Manager may take temporary defensive positions that may be inconsistent with the Fund's investment strategy in attempting to respond to certain adverse conditions which include but not limited to adverse market, economic and political conditions, insufficient funds to form an efficient portfolio, periods of high redemptions or any other adverse conditions in order to preserve the NAV of the Fund. By taking a temporary defensive position, the Manager will reduce the Fund's investment exposure in fixed income securities and hold more cash. These cash will be placed in deposits with licensed financial institutions in order to reduce the exposure during the market downturn and helps to preserve the Fund's capital and minimise losses.

The Manager is allowed to implement the temporary defensive positions up to a maximum of three (3) months from the date of the temporary defensive positions is implemented.



#### 4.4 Fund Type, Category and Performance Indicator/Benchmark

<b>Fund Type</b>	Income
<b>Fund Category</b>	Fixed Income
<b>Performance Indicator/Benchmark</b>	Maybank, 12-Month Fixed Deposit Rate

*Note: The Fund and the benchmark have differing risk profiles where the Fund will assume higher risks.*

#### 4.5 Permitted Investments

The Fund may invest in the following instruments:

**(i) Bonds, money market instruments and placement of deposits:**

- (a) Securities issued or guaranteed by governments, Central Banks, any other government related or quasi-government related bodies, municipal, etc;
- (b) listed or unlisted, rated or unrated, tradable or non-tradable bonds including those convertible into equity\*;
- (c) tradable money-market instruments; and
- (d) money placements or deposits placed with licensed financial institutions or authorized dealers.

**(ii) Other permitted investments:**

- (a) repurchase agreements of any bonds mentioned in (i)(a) and (i)(b) above;
- (b) treasury products, structured products and interest rate swaps;
- (c) futures contracts and forward contracts;
- (d) units or shares in other collective investment schemes; and
- (e) any kind of investments as may be agreed upon by the Manager and the Trustee from time to time and permitted by the Relevant Authorities, if necessary.

*\*Note: This is only restricted to redeemable bonds. The Manager may sell the bond prior to the conversion or choose to convert into equity. In the event the Manager converts the bond into equity, the Manager will sell the said equity within three (3) months from the date of conversion.*

For the avoidance of doubt, the Manager may use hedging instruments such as forward foreign exchange contract, swaps (credit default swaps, interest swaps and currency swaps), future contracts and options to hedge the Fund.

**Risks associated with these investments are as elaborated in Chapter 5.**

#### 4.6 Investment Restrictions and Limits

The Fund will be managed in accordance with the following investment restrictions and limits:-

- (i) no limit for money placements or deposits with any single financial institutions.
- (ii) if the NAV is RM50 million and below, there will not be any single or group issuer limits employed.
- (iii) if the NAV is above RM50 million, investment in any bond issued by any single issuer shall not exceed 30% of NAV of the Fund, at the time of purchase, except sovereign bonds.
- (iv) no minimum rating for fixed income securities investments. However, investments in fixed income securities below "BBB3" or "P3" or its equivalent by a recognised rating agency such as RAM Holdings Berhad, Malaysia Rating Corporation Berhad, Moody's Investor Services, Inc., Standard & Poor's Corporation or Fitch Ratings, including unrated corporate bonds, shall not exceed 30% of the NAV of the Fund, at the time of purchase, subject to the NAV of the Fund is more than RM50 million, at the time of purchase.
- (v) investments in Ringgit bonds shall not exceed 30% of the NAV of the Fund, subject to the NAV of the Fund is more than RM50 million, at the time of purchase.

Note: All foreign sovereign fixed income securities will follow respective countries' debt rating by a recognised rating agency.

#### 4.7 Valuation of the Fund

OpusAM has the sole discretion of selecting a valuation method which it deems appropriate. However, OpusAM will endeavour to adopt the following methods based on a best effort basis.

Valuation of listed securities are based on the last done market price if reliable sources are available, otherwise OpusAM will decide on the valuation based on a best effort basis. Short-term fixed income and money market instruments (which are of less than one year to maturity) are valued based on an accretion method using a constant discount rate on cost or yield to maturity on cost, where applicable.

The valuation for investments in **unlisted fixed income securities** shall be carried out on the following valuation bases, listed in the order of priority:-

For Ringgit unlisted fixed income securities:-

1. At least weekly by reference to the average indicative yield quoted by at least three (3) independent financial institutions selected by the Manager; or
2. The indicative or reference yield/price obtained from an independent pricing agency selected by the Manager; or
3. The fair value as determined in good faith by the Manager, on methods or bases to be decided by the Manager at its sole discretion (subject to approval by Auditor of the Fund and the Trustee).

For non-Ringgit unlisted fixed income securities:-

1. At least weekly by reference to the average indicative yield quoted by at least one (1) independent financial institution selected by the Manager; or
2. The value determined by reference to the value of such unlisted fixed income securities quoted by Bloomberg; or

3. The fair value as determined in good faith by the Manager, on methods or bases to be decided by the Manager at its sole discretion (subject to approval by Auditor of the Fund and the Trustee).

All foreign assets are translated into RM based on the **exchange rate** quoted by the following:

- Maybank; or
- Bloomberg or Reuters at 4.00 p.m. (United Kingdom time) which is equivalent to 11.00 p.m. or 12.00 a.m. midnight (Malaysian time) on the same day.

#### **4.8 Policy on Gearing**

The Fund will not borrow cash or other assets in connection with its activities.

#### **4.9 Duration and Termination of the Fund**

Subject to the provisions of the Deed, this Fund has no fixed duration and can be terminated either by the Manager or the Trustee.

##### **4.9.1 Termination by the Manager**

The Manager may in its absolute discretion determine or wind up the Fund at any time, should the following events occur:

- (a) if, the Net Asset Value of the Fund shall be at such level as the Manager considers it impossible or impracticable to continue the Fund; or
- (b) if, approvals of the Relevant Authorities have been revoked under any Relevant Laws.

##### **4.9.2 Termination by the Trustee**

The Trustee may terminate the Fund should the following events occur:

- (a) if the Manager has gone into liquidation, except for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee and the Relevant Authorities;
- (b) if, in the opinion of the Trustee, the Manager has ceased to carry on business; or
- (c) if, in the opinion of the Trustee, the Manager has to the prejudice of Unit Holders failed to comply with the provisions of this Deed or contravened any of the provisions of any Relevant Law;

the Trustee shall summon a meeting of Unit Holders in accordance with the provisions of the Deed for the purpose of seeking directions from the Unit Holders.

If at any such meeting a Special Resolution to terminate the Fund and to wind-up the Fund is passed by the Unit Holders of the Fund, the Trustee shall apply to the Court for an order confirming such Special Resolution.

### 4.9.3 The Procedures taken should the Fund be terminated

Upon termination of the Fund, the Trustee shall:

- (a) sell all the assets of the Fund then remaining in its hands and pay out of the Fund any liabilities of the Fund; such sale and payment shall be carried out and completed in such manner and within such period as the Trustee considers to be in the best interests of the Unit Holders; and
- (b) from time to time distribute to the Unit Holders, in proportion to the number of Units held by them respectively:
  - (1) the net cash proceeds available for the purpose of such distribution and derived from the sale of the investments and assets of the Fund less any payments for liabilities of the Fund; and
  - (2) any available Cash Produce;

provided always that the Trustee shall not be bound, except in the case of final distribution, to distribute any of the moneys for the time being in his hands the amount of which is insufficient for payment to the Unit Holders of Fifty (50) sen in respect of each Unit and provided also that the Trustee shall be entitled to retain out of any such moneys in his hands full provision for all costs, charges, taxes, expenses, claims and demands incurred, made or anticipated by the Trustee in connection with or arising out of the winding-up of the Fund and, out of the moneys so retained, to be indemnified against any such costs, charges, taxes, expenses, claims and demands; each such distribution shall be made only against the production of such evidence as the Trustee may require of the title of the Unit Holder relating to the Units in respect of which the distribution is made.

## 5 RISKS

***It is important to note that investment in the Fund carries risks and the list of risks listed below 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.***

Investors should consider and understand the risks of investing in the Fund before applying for Units.

Investors should note that the value of Units, and the income accruing to the Units, may fall or rise and that Investors may not get back their original investment.

### 5.1 General Risks

The following risks are general risks involved when investing in the Fund:

#### (a) Market Risk

The usual risks of investing and participating in listed and unlisted securities apply to an investment in the Units. Prices of securities may go up or down in response to changes in market factors such as uncertainties in the economy, political, social environment and the market's perception of securities. These may cause the price of Units to go up or down as the price of Units is based on the current market value of the investments of the Fund.

**(b) Fund Management Risk**

The performance of the Fund depends on, amongst other things, the experience and expertise of the Manager. Poor management of the Fund will jeopardise the investment of the Fund and subsequently, may lead to losses to Unit Holders.

The risk is reduced through the following:

- implementation of a consistent structured investment process; and
- establishment and implementation of stringent internal policies and procedures.

**(c) Non-Compliance Risk**

This involves the risk of fraudulent acts or the risk that rules set out in the governing deed or law that govern the Fund's operations or internal policies and procedures are not being complied with (e.g. human and system errors), which may result in loss to the Fund.

The risk is reduced through the establishment and implementation of appropriate compliance guidelines and stringent internal control policies.

**(d) Operational risk**

This risk refers to the possibility of a breakdown in the Manager's internal control and policies. Whilst this risk may not necessarily cause monetary loss to the Fund, it will most certainly cause inconvenience to Unit Holders. The breakdown may be as a result of human error, system failure or even fraud.

The risk is reduced by regularly review its internal policies and system capability to minimize the instances of the risk.

**(e) Returns are not guaranteed**

Unit Holders should take note that by investing in the Fund, there is no guarantee of any income distribution or capital appreciation. Unlike fixed deposits which carry a specific rate of return, a wholesale fund does not provide a fixed rate of return.

**5.2 Specific Risks of the Fund**

The Fund is susceptible to the following risks:

**(a) Interest Rate Risk**

Investments in debt securities are subject to the risk of interest-rate fluctuations. Prices of debt securities will normally move in the opposite direction of interest rates. A rise or fall in interest rates will cause a fall or rise respectively in prices of debt securities. The Fund may experience a capital loss or gain respectively should the debt securities be sold before maturity.

The Manager adopts a 'top-down' investment approach to ensure a thorough evaluation of macro-economic factors is undertaken in order to form a interest rate view. The Manager will develop the portfolio maturity structure based on their interest rate view to capitalise on expected movements in interest rates. In addition, it is also intended to have maturity diversification to ensure limited impact on the portfolio value in case of adverse changes in interest rate direction.

**(b) Credit and Default Risk**

This risk can be referred to:

(i) Issuer creditworthiness

This risk is intrinsic with the Fund's investments in bonds and refers to the issuer of the bonds creditworthiness and its expected ability to repay debt. Default happens when the issuer is not able to make timely payments of interest on the coupon payment date or principal repayment on the maturity date. If default happens, this will cause a decline in the value of the defaulted bond and subsequently affect the Fund's NAV per Unit.

The Manager minimises the Fund's credit risk by adopting the following measures:-

- conducting thorough credit analysis before any investment to ascertain the creditworthiness of different issuers; and
- diversifying the portfolio by investing in different issuers, if possible.

(ii) Financial institutions creditworthiness

This risk refers to a financial institution that is a party to the trade or placement contract of the Fund, may default in its payment.

The Manager minimises the Fund's credit and default risk by conducting a thorough credit analysis on the financial institutions creditworthiness. With regards to the trading of the Fund's fixed income securities, the risk is minimised by dealing only with any financial institution via Real Time electronic Transfer of Funds and Securities ("RENTAS") system.

**(c) Liquidity Risk**

Liquidity risk is defined as the ease with which a security can be sold at or near its fair value depending on the volume traded on the market. This risk is more pertinent to a bond Fund in view that such investment are generally not as easily liquidated as compared to equities. In the event some of the bonds of the Fund are not actively traded, there is a risk the Manager may not be able to easily liquidate such investments and as a result, Investors may face difficulties in redeeming their Units.

Please refer Section 7.2.6 for details on suspension of Units redemption.

**(d) Inflation/Purchasing Power Risk**

Inflation can be described as increases of price level of goods and services and is commonly represented using the consumer price index. High inflation reduces the purchasing power of a fixed sum of money. In an inflationary environment, fixed rate securities are exposed to higher inflation risk than inflation-linked securities.

The Investor's investment in the Fund may not grow proportionately to the inflation rate. This will then decrease the Investor's purchasing power even though the investment in monetary terms may have increased.

**(e) Counterparty Risk**

The risk that an issuer of security, or a bank or financial institution that is a party to the trade or placement contract, may default in its payment.

The Manager minimises the risk by conducting a thorough credit analysis on the issuers and financial institutions to ascertain the creditworthiness of different issuers and financial institutions. As for trade, the counterparty risk is minimised by dealing only with any financial institution via Real Time Electronic Transfer of Funds and Securities ("RENTAS") system.

**(f) Concentration Risk**

The Fund is susceptible to the concentration risk. As the Fund has no limit restriction for deposits with any single financial institution, there is a possibility that the Fund may be exposed to a single financial institution.

The concentration risk is managed through the monitoring of credit analysis conducted on the financial institutions.

**(g) Currency Risk**

If and when the Fund invests in investments that are denominated in foreign currencies, the Fund will be susceptible to currency risk. When the foreign currencies fluctuate in an unfavourable movement against the Ringgit, the investment may face currency loss in addition to the capital gain or losses.

The currency risk is managed by forming a currency view based on factors, including the economic views on a country, which may impact the currency of the country. The risk can be minimised through limiting the exposure in foreign currencies investments and when necessary hedge partially or fully the currency risks exposure.

**(h) Country Risk**

If and when the Fund invests in foreign markets, the value of the assets of the Fund may also be affected by uncertainties such as currency repatriation restrictions, other developments in the law or regulations, and the political and economic conditions of the countries in which the Fund is invested in.

Careful consideration shall be given to risk factors such as liquidity, political and economic environment before any investments are made in any foreign country.

**(i) Hedging Risk**

To minimize certain risks of investment, the Manager may use hedging instruments such as forward foreign exchange contract, swaps (credit default swaps, interest swaps and currency swaps), future contracts and options to hedge the Fund from certain anticipated losses such as those resulting from unfavourable exchange rate and interest rate environment. The use of derivatives and other instruments involve far higher risk than standard investment instruments.

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 and interest rate movements.

## 6 FEES, CHARGES AND PRICES

All fees, charges and expenses payable by the Unit Holder are subject to GST at a rate of 6% or such other prescribed rate as may be imposed from time to time, and incurred by the Unit Holder directly when purchasing or redeeming Units of the Fund and indirectly when investing in the Fund. The fees, charges and expenses disclosed in this Information Memorandum are exclusive of GST or any other taxes or duties that may be imposed by the Malaysian government or other Relevant Authorities from time to time.

### 6.1 Charges Directly Incurred

#### 6.1.1 Sales Charge

Up to 2% of NAV per Unit. Please refer to the illustration shown under Section 7.1.

#### 6.1.2 Exit Fee

No exit fee will be imposed on a Unit Holder when a Unit Holder makes a redemption request.

#### 6.1.3 Redemption Charge

No redemption charge will be imposed on a Unit Holder when a Unit Holder makes a redemption request.

#### 6.1.4 Other Fees and Charges

Charges, including bank charges, telegraphic charges and courier charges, incurred in order to execute a transaction on behalf of the Investor, shall be borne by the Fund.

Bank charges for subscription or redemption incurred by the Unit Holders shall be borne by the Unit Holders.

The Manager reserves to right to impose charges at its absolute discretion, with the consent of the Trustee.

### 6.2 Fees and Expenses Indirectly Incurred

Below are the fees and expenses indirectly incurred by investors when investing in the Fund:

**(a) Annual Management Fee**

Up to 1.25% per annum of the NAV of the Fund calculated daily and payable on a monthly basis.

**(b) Annual Trustee Fee**

Up to 0.05% per annum of the NAV of the Fund calculated daily and payable on a monthly basis subject to a minimum of RM12,000 per annum or any other lower amount as may be agreed between the Trustee and the Manager (excluding foreign custodian fees and charges).



### 6.3 Other Fees and Charges

#### Direct Expenses Related to the Funds

Below is a list of expenses directly related to the Fund, which includes:

- Auditors' fee and charges;
- Tax Adviser's fee and charges;
- Taxes and duties charges by the government and Relevant Authorities;
- Printing and delivery of tax vouchers;
- Printing and delivery charges of monthly statement, quarterly reports, annual reports and any other reports required by the Relevant Authorities to be issued by the Manager in relation to the Fund;
- Valuation fee, charges and expenses required for valuation of any investment of the Fund by any independent valuers for the benefit of the Fund;
- Any tax such as GST and/or other indirect or similar 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
- Any other charges permitted by the Deed.

The Manager, for any reason at any time, may reduce or waive the amount of any fees (except for the Trustee fees) or other charges payable by the Unit Holder in respect of the Fund, either generally (for all Unit Holders) or specifically (for any particular Unit Holder) and for any period of periods of time at its absolute discretion.

### 6.4 Rebates and Soft Commissions

Soft commissions received, if any, will be retained by the Manager if the goods and services are of demonstrable benefit to the Unit Holders, such as data and quotation services, computer software and research material incidental to the investment management activities of the Fund. Cash rebates, if any, will be directed to the account of the Fund.

## 7 Transaction Information

### 7.1 Calculation of NAV of the Fund

The NAV of the Fund means the total value of the Fund's investments, assets and properties less the Fund's expenses or liabilities incurred or accrued for the day.

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

If the investments of the Fund is RM240,772,498, other assets of the Fund including cash is RM18,668,352 and the liabilities of the Fund is at RM2,858,986, as at the Valuation Point, the NAV of the Fund will be:

	<b>RM</b>
Securities Investment	240,772,498
Add : Assets (including cash)	18,668,352
	<hr/>
	259,440,850
Less : Liabilities	2,858,986
	<hr/>
NAV before deducting Management Fee and Trustee Fee for the day	256,581,864

Less :	Trustee Fee for the day (up to 0.05% per annum calculated based on the NAV subject to a minimum of RM12,000 per annum) <u>256,581,864 x 0.05%</u> 365	351
	GST on Trustee Fee (351 x 6%)	21
	Management Fee for the day (at 1.25% per annum calculated based on the NAV) <u>256,581,864 x 1.25%</u> 365	8,787
	GST on Management Fee (8787 x 6%)	527
	NAV of the Fund	<u>256,572,178</u>

#### NAV per Unit

The NAV per Unit is calculated by dividing the total NAV of the Fund by the total number of Units in circulation as at the Valuation Point.

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

Say for example the number of Units in circulation for the Fund is 200,000,000 Units and the NAV of the Fund is RM256,572,178 at the point of valuation, the NAV per Unit will be:

NAV of the Fund	:	<u>RM256,572,178</u>
Number of Units in Circulation	:	200,000,000 Units
NAV per Unit	:	<u>RM1.2829</u>

#### **Pricing of Units**

Based on the above illustration, assuming the NAV per Unit is RM1.2829 on 15 October 2015. If a Unit Holder intends to invest a sum of RM250,000, the amount the Unit Holder will have to pay as Sales Charge inclusive of GST will therefore be:

Amount invested	:	RM250,000
Sales Charge	:	2.00% of the NAV per Unit
NAV per Unit	:	RM1.2829
Number of Units purchased by Unit Holder	:	RM250,000 / RM1.2829 = 194,871 Units

Amount Invested	:	<u>RM</u> 250,000
Add: Sales Charge (2.00% x RM1.2829 x 194,871)	:	5,000
Add: GST 6% of Sales Charge (6.00% x RM5,000)	:	300
TOTAL Amount Paid by Unit Holder	:	<u>255,300</u> =====

*Please note that the calculation set out above is for illustration purpose only.*

## **Pricing Basis**

The NAV per unit of the Fund is computed at Valuation Point i.e. before 8.00 p.m. and the price per Unit will be made available to Unit Holders not later than 11.00 a.m. on the next Business Day.

## **During Initial Offer Period**

During the Initial Offer Period, the offer price is set at RM1.00 per Unit.

## **After Initial Offer Period**

The Manager is adopting the single pricing method in calculating a Unit Holder's investment for subscription and redemption of Units. The pricing for subscription and redemption is the NAV per Unit of the Fund and shall be determined based on forward pricing\* after a request to subscribe or redeem is received by the Manager in a proper form.

- \* Note: (i) Forward pricing for subscription is effected at the NAV per Unit of the Fund calculated at the end of each Business Day.  
(ii) Forward pricing for redemption is effected at the NAV per Unit of the Fund calculated on the fifth (5<sup>th</sup>) Business Day from the Redemption Processing Date (inclusive).  
Please refer to Section 7.2.1 and 7.2.2 for details.*

## **7.2 Transaction Details**

This part of the Information Memorandum contains information relating to the procedures on how to invest in the Fund, and how to redeem Units. The Investor may be required to forward to the Manager additional documents to authenticate his/her identification when transacting Units.

### **7.2.1 How to begin investing in the Fund**

Applications for Units can be made by submitting the following completed documents (as listed in the table below) to the Manager together with payment, at the following address: -

Opus Asset Management Sdn Bhd (414625-T)  
Business Address:-  
B-19-2, Northpoint Offices, Mid Valley City,  
No.1, Medan Syed Putra Utara,  
59200 Kuala Lumpur  
Telephone: + 60 3 2288 8882 Facsimile: + 60 3 2288 8889

THE COMPLETED APPLICATION FORM MUST BE SUBMITTED TOGETHER EITHER WITH A CHEQUE MADE PAYABLE TO "**Opus Asset Management Sdn Bhd - Trust Acc Client Opus GIF**" OR WITH A RECEIPT FROM YOUR TELEGRAPHIC TRANSFER TRANSACTION.

Applications will only be accepted from investors who fall within the category of "Investors" under the Guidelines.

Investors who wish to subscribe or apply for Units must make a minimum initial investment of RM250,000. Any applications for additional investment by existing Unit Holders must be for a minimum investment of RM10,000. The Manager has the rights to accept investment amount which are lower than the minimum initial investment at its absolute discretion.

The application for subscription can be made on any Business Day by sending the Application Form to the Manager. The processing of applications for subscription of Units with the remittance cleared and upon receipt of completed documents shall be made before 4.00 p.m. on every Business Day. Units will then be effected at the NAV per Unit of the Fund calculated at the end of the Business Day. For any Application Form received after 4.00 p.m., the application will be processed on the next Business Day.

For example 1:

Investor submitted Application Form with remittance cleared (before 4.00 pm.)	:	5 October 2015 (Monday)
NAV per Unit of the Fund effected	:	5 October 2015 (Monday)

For example 2:

Investor submitted Application Form with remittance cleared (after 4.00 p.m.)	:	5 October 2015 (Monday)
NAV per Unit of the Fund effected	:	6 October 2015 (Tuesday)

No certificates will be issued for Units. A confirmation statement detailing your investment amount and the number of Units allocated to you in the Fund will be sent to Unit Holder within ten (10) Business Days from the date of issuance of such Units.

Subject to the acceptance of application, application moneys (with remittance cleared) received during and after Initial Offer Period will be held in a separate bank account on behalf of the applicants. On the next Business Day, the money is transferred into the Fund's trust account. Any interest earned on any application money will be transferred to the Fund. No interest will be paid to applicants on application money received.

The Manager reserves the right not to accept any application either wholly or in part. If your application is not accepted, the application money will be refunded, but without any interest accruing.

### **7.2.2 How to Redeem**

The application for redemption of Units can be made on any Business Day by submitting a completed Redemption Form to the Manager at the following address: -

Opus Asset Management Sdn Bhd (414625-T)  
B-19-2, Northpoint Offices, Mid Valley City,  
No.1, Medan Syed Putra Utara,  
59200 Kuala Lumpur  
Telephone: + 60 3 2288 8882 Facsimile: + 60 3 2288 8889

The processing of applications for redemption of Units shall be made before 4.00 p.m. on every Business Day. Units will be redeemed and effected at the NAV per Unit of the Fund calculated on the fifth (5<sup>th</sup>) Business Day from the Redemption Processing Date (inclusive).

For any Redemption Form received after 4.00 p.m., the Redemption Processing Date will be the next Business Day.

The payment for redemption will be made within six (6) Business Days from the date where the NAV per Unit of the Fund is effected (inclusive).

For example 1:

Assuming no public holidays in October 2015.

Investor submitted Redemption Form (before 4.00 p.m.)	:	5 October 2015 (Monday)
Redemption Processing Date	:	5 October 2015 (Monday)
NAV per Unit of the Fund effected	:	9 October 2015 (Friday)
Redemption payment not later than	:	16 October 2015 (Friday)

For example 2:

Investor submitted Redemption Form (after 4.00 p.m.)	:	5 October 2015 (Monday)
Redemption Processing Date	:	6 October 2015 (Tuesday)
NAV per Unit of the Fund effected	:	12 October 2015 (Monday)
Redemption payment not later than	:	19 October 2015 (Monday)

There is no limit on the frequency of redemptions that may be made by any Investor, except that each redemption request must be for a minimum of 10,000 units. A Unit Holder cannot revoke a redemption request duly received and accepted by the Manager without the prior approval of the Manager.

Redemption Forms are available upon request from the Manager at the address of the Manager as set out in this Information Memorandum.

In the event a redemption of Units by a Unit Holder would result in that Unit Holder holding less than 10,000 units, the redemption request will be deemed to be in respect of all the Units held by the Unit Holder. However, the Manager reserves the right to waive this requirement in respect of the Fund, either generally (for all Unit Holders) or specifically (for any particular Unit Holder) at its absolute discretion.

### **7.2.3 Transfer of Units**

Units are transferable subject to the Manager's discretion and the transferee being more than 18 years of age at the time of transfer and an Investor. The application for the transfer must be made in the prescribed form which is available upon request at the office of the Manager as set out in this Information Memorandum. The duly completed and signed form must be accompanied by such evidence as may be required by the Manager to prove the title of the transferor and his right to transfer the Units.

There are no fees charged for the transfer of Units.

### **7.2.4 Switching**

Unit Holders have the option of switching their units of the Fund between any of the other funds managed by the Manager, based on the value of their investments in the Fund at the point of exercising the switch. No switching fee will be charged.

A switch is processed as a redemption from one fund and an investment into another. Unit prices for the transaction will be based on the NAV per Unit at the next Valuation Point of the relevant funds.

There are no fees charged for the switching of units.

### 7.2.5 Special Redemption Mechanism

In a situation where the Manager receives a high amount of total redemption requests for the day i.e. exceeds 20% of the Fund's NAV as at the Redemption Processing Date, the Manager shall then be entitled to base the calculation of redemption on several Valuation Points, as determined by the Manager from time to time.

If the mechanism were to be implemented, the Manager will sell off assets of the Fund on a staggered basis. This would result in the calculation of the redemption proceeds being based on several Valuation Point computed with each redeeming Unit Holder being paid proportionately in accordance with the quantum of his redemption request calculated at the several Valuation Point until the sell down is complete.

For example:

- Assuming, no public holiday in October 2015 as per calendar below:

OCTOBER 2015						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

- The Fund's NAV is RM330 million.
- On 5 October 2015, total redemption requested receive before 4.00 p.m. is 100 million units @ RM1.1515 per unit = RM115.15 million, which is more than 20% of the Fund's NAV. These redemption requests are from:
  - Unit Holder A = 50 million units
  - Unit Holder B = 30 million units
  - Unit Holder C = 20 million units
- On 6 October 2015, no redemption request received.
- On 7 October 2015, one redemption request received from Unit Holder D which is 3.5 million units.
- Thereafter, no redemption requests received for the month.

Based on the above assumption, the table below illustrates how the special redemption mechanism works.

Redemption Processing Date	Unit Holder	Special Redemption Mechanism	Date and Price of NAV per Unit of the Fund effected	Redemption Proceed	Redemption Proceed Payment Date not later than
(a)	(b)	(c) Units	(d)	(e) = (c) x (d) RM	(f)
Day 1 5 Oct 2015	A	12,500,000	9 Oct 2015 @ RM1.1515	14,393,750	16 Oct 2015
	B	7,500,000		8,636,250	

	C	5,000,000		5,757,500	
Day 2 6 Oct 2015	A	12,500,000	12 Oct 2015 @ RM1.1503	14,378,750	19 Oct 2015
	B	7,500,000		8,627,250	
	C	5,000,000		5,751,500	
Day 3 7 Oct 2015	A	12,500,000	13 Oct 2015 @ RM1.1488	14,360,000	20 Oct 2015
	B	7,500,000		8,616,000	
	C	5,000,000		5,744,000	
Day 4 8 Oct 2015	A	12,500,000	14 Oct 2015 @ RM1.1471	14,338,750	21 Oct 2015
	B	7,500,000		8,603,250	
	C	5,000,000		5,735,500	
Day 5 9 Oct 2015	D	3,500,000	15 Oct 2015 @ RM1.1462	4,011,700	22 Oct 2015

In order to meet these redemption requests, the Manager will base on several Valuation Points, i.e. in this example, the Manager will take four (4) Business Day to liquidate the investments of the Fund for Unit Holders A, B and C.

The Redemption Processing Date for Unit Holder D is also affected and is based on Day 5 instead of Day 3, as the Manager will need to complete the sell off assets of the Fund for Unit Holders A, B and C accordingly. The redemption proceeds of Unit Holders A, B and C will be paid proportionately in accordance with the quantum of his redemption request calculated at several Valuation Points, as shown in column (e) of the above table.

In the event the Manager invokes special redemption mechanism, Unit Holder will be notified (via email or handphone) on the day the Manager receives the application for redemption of Units. Unit Holder may also opt to withdraw such application on the same day.

Unit Holder will be notified on such redemption mechanism via their monthly statement accordingly.

However, the Manager may only invoke this mechanism when market conditions are such that it would not be possible to liquidate assets of the Fund at a reasonable price or prices beneficial to the Fund without jeopardising the whole investment portfolio of the Fund. Other factors that may also affect the decision of the Manager are, amongst others, as follows:

- Liquidity of a particular investment;
- Aggregate prices for disposal;
- Amount of assets to be disposed of; and
- Other investment limits and restrictions of the Fund.

### 7.2.6 Suspension

The Manager (upon consultation with the Trustee) may request the Trustee to suspend the sale and redemption of Units where the interest of the Unit Holders is materially affected or where there is good or sufficient reason to do so, having regard to the interest of the Unit Holders or potential Unit Holders.

The Manager (upon consultation with the Trustee) may request the Trustee to suspend the sale and redemption of Units where it would be impractical for the Manager to calculate the NAV due to:

- (i) the closure of a stock exchange or trading restrictions imposed by the stock exchange;
- (ii) an emergency or other state of affairs;
- (iii) the realization of investments of the Fund not being able to be effected at prices which could be realized if the investments were realized in an orderly fashion over a reasonable period in a stable market; or
- (iv) the existence of any state of affairs which in the opinion of the Manager, might prejudice the interests of the Unit Holders as a whole or the assets of the Fund.

If at any time the appointment of the Trustee is terminated and a new trustee has not been appointed yet, the sale and redemption of Units will be suspended until a new trustee has been appointed.

The period of suspension will not exceed thirty (30) days, or such other period as permitted under the Relevant Laws.

All redemption requests or application for Units received during the suspension period are deemed to have been received on the Business Day after the suspension ceases. Any suspension shall be in accordance with the Deed.

### **7.3 Other Information**

#### **7.3.1 Income Distribution and Reinvestment Policies**

Subject to the availability of income, the Fund aims to distribute income at least once a year.

Given the nature of the Fund, all income distributions will be paid out to the Unit Holders via cheques or telegraphic transfer. However, Unit Holders may instruct that the distributions declared be reinvested into additional units of the Fund at the time of application.

Payment of distributable income shall be made within ten (10) Business Days from the income declaration date.

All reinvestments will be made at the NAV per Unit of the income declaration date. The allotment of Units for the reinvestment shall be made within two (2) Business Days after the income declaration date. There is no sales charge imposed for such re-investment of Units.

#### **7.3.2 Cross Trades**

To provide more liquidity in the dealing of securities, the Manager may carry out transactions between the Fund and investment portfolios its other customers ("cross-trades") and combine the trade orders for the Fund with orders for investment portfolios of its other customers ("block trades"), provided always that any such cross-trades or block trades are conducted on a best execution basis and are no less favourable to the Fund when compared to an arm's length transaction between independent parties.

The Manager shall have full discretion to determine the price (or yield) on such trades by taking into consideration factors such as broker's valuation, bond pricing agencies, market quotes, odd lot trades and market condition. The Manager will decide the price which the Manager believes to be the fair price to the seller, who will provide the securities in time of shortage and the buyer who will provide the liquidity in cash in time of seller who wants to liquidate the securities or the portfolio. All cross-trades or block trades shall be done in compliance with the Relevant Laws.



### **7.3.3 Unclaimed Income Policy**

All income distributions will be paid out by cheques or telegraphic transfer to the Unit Holders unless otherwise instructed at the time of application that the income distributions be reinvested into additional units.

However, if the cheque is not cashed within six months from the date of the cheque, the Manager will proceed to reinvest such unclaimed income into additional units of the Fund based on the price within fourteen (14) days from the expiry date of the cheque.

### **7.3.4 Unclaimed Moneys Policy**

Unclaimed moneys, other than unclaimed income, will be filed with the Registrar of Unclaimed Moneys after the lapse of one year from the date of payment. Thereafter, the amount represented by such unclaimed moneys will be paid to the Registrar of Unclaimed Moneys in accordance with the Unclaimed Moneys Act, 1965.

### **7.3.5 Death, Legal Disability**

If a Unit Holder dies or becomes subject to a legal disability such as bankruptcy or insanity, only the survivor who is not a minor (in the case of joint Unit Holders) or legal personal representative (in any other case) will be recognised as having any claim to the Units registered in the Unit Holder's name.

A trustee, executor or administrator of the estate of any deceased person who was registered or beneficially entitled to be registered as a Unit Holder may become registered as the Unit Holder in respect of the Units of the deceased person as trustee, executor or administrator of that estate and will, in respect of such Units, be entitled to the same rights as he would have been entitled to if the Units of the deceased person had remained registered in the name of the deceased person.

### **7.3.6 Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001**

In order to comply with regulations aimed at the prevention of money laundering, the Manager may require prospective Investors to provide evidence to verify their identity and the source of payment. Accordingly, the Manager reserves the right to request such information as it considers necessary to verify the identity of a prospective Investor. Enhanced due-diligence process will be conducted on high risk clients which would require the Manager's senior management review and approval, where applicable.

The Manager may delay or refuse to accept any subscription application without providing any reason for doing so if a prospective Investor delays in producing or fails to produce any information required by the Manager for the purpose of verification and, in that event, any funds received by the Manager will be returned without interest to the account from which the moneys were originally debited.

The Manager shall report any suspicious transactions to the Relevant Authorities.

### **7.3.7 Register of Unit Holders**

The Manager will keep a register of Unit Holders at the office of the Manager. The register of Unit Holders will contain, amongst others, the names and addresses of Unit Holders, the number of Units held by each Unit Holder and the dates on which Units were issued to such Unit Holders.

Any Unit Holder may inspect the register on any Business Day at any time during ordinary business hours of the Manager and obtain such information pertaining to his/its Units as permitted under the Relevant Laws. Any Unit Holder may request the Manager to furnish him/it with an extract from the register in so far as it relates to his/its name, address, number of Units held by him/it and amounts paid on those Units and the Manager will, upon payment in advance of a reasonable fee as it may require, cause any extract so requested to be sent to that Unit Holder within twenty-one (21) days or such other period which the SC considers reasonable, commencing on the day after the request is received by the Manager.

The contents of the register of Unit Holders will be prima facie evidence of any matters contained therein.

### **7.3.8 How an investor can keep track of his investment**

#### When you invest

A transaction advice will be sent to you.

#### Statement of investment

We will send you a monthly statement. It will state the balance of units together with all transactions made since the last statement.

#### Reports

Within two (2) months of the Fund's financial year or interim period, an annual or quarterly report will be sent to you.

#### Tax voucher

We will send you tax vouchers (if any) which will set out the information that is needed to complete your tax return form.

### **7.3.9 Notice on Personal Data Protection**

All personal data of a Unit Holder contained in the Application Form, supporting documents and any further personal data collected in the course of the business relationship with the Manager may be processed by the Manager or its delegates and other related corporation, the Trustee or its delegates and any other intermediaries related to the Fund. Such data shall be processed for the purposes of account opening and administration, anti-money laundering requirements, tax identification (including for the purpose of compliance with the Relevant Laws), processing of transaction(s), regulatory reporting and/or any other general business purposes (except for direct marketing and promotion of the Manager's other products and services) by the Manager.

For the purposes of the aforesaid notice, the term "personal data" shall have the same meaning prescribed in the Personal Data Protection Act 2010 ("the PDPA") and the term "processed" shall have the same meaning as "processing" as prescribed in the PDPA.

Please refer to Application Form or the Manager's website at [www.opusasset.com](http://www.opusasset.com) for further details of PDPA.

### 7.3.10 How an Investor make a complaint

<b>For internal dispute resolution</b>	For internal dispute resolution, you may contact the Compliance Officer:  via phone : 03-2288 8882 via fax : 03-2288 8889 via email : enquiry@opusasset.com via letter : Opus Asset Management Sdn Bhd B-19-2, Northpoint Offices Mid Valley City No. 1, Medan Syed Putra Utara 59200 Kuala Lumpur, Malaysia
<b>Securities Industries Dispute Resolution Corporation (SIDREC)</b>	If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industries Dispute Resolution Corporation (SIDREC):  via phone : 03-2282 2280 via fax : 03-2282 3855 via email : info@sidrec.com.my via letter : Securities Industry Dispute Resolution Center (SIDREC) Unit A-9-1, Level 9, Tower A Menara UOA Bangsar No.5, Jalan Bangsar Utama 1 59000 Kuala Lumpur
<b>Securities Commission Malaysia</b>	You can also direct your complaint to Securities Commission Malaysia even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the Securities Commission's Investor Affairs & Complaints Department:  via phone to Aduan Hotline : 03-62048999 via fax : 03-62048991 via email : aduan@seccom.com.my via online complaint form : www.sc.com.my available at  via letter : Investor Affairs & Complaints Department Securities Commission Malaysia No 3 Persiaran Bukit Kiara Bukit Kiara 50490 Kuala Lumpur

## 8 RIGHTS AND LIABILITIES OF UNIT HOLDERS

### 8.1 Rights of a Unit Holder

Subject to the provisions of the Deed, Unit Holders shall be entitled:

1. to receive distributions, if any, of the Fund;
2. to participate in any increase in the NAV of Units;
3. to all rights and privileges as provided in the Deed;
4. to receive monthly statements, quarterly and annual reports on the Fund;

5. to attend meetings of Unit Holders convened pursuant to the Deed; and
6. to call for a meeting of Unit Holders in accordance with Section 9 below and to vote for the removal of the Trustee or the Manager.

However, a Unit Holder is not entitled to:

- (i) interfere with any rights or powers of the Manager under this Information Memorandum;
- (ii) exercise a right in respect of any of the investments of the Fund or otherwise claim any interest in any of such investments;
- (iii) require the transfer to the Unit Holder of any of the investments of the Fund; or
- (iv) interfere with or to question the exercise by the Trustee (or the Manager on the Trustee's behalf) of the rights of the Trustee as trustee of the investments of the Fund.

## **8.2 Liabilities of a Unit Holder**

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

- (i) no Unit Holder shall be entitled to require the transfer to him of any of the investments or assets of the Fund or be entitled to interfere with or question the exercise by the Trustee, or the Manager on its behalf, of the rights of the Trustee as the registered owner of such investments and assets;
- (ii) no Unit Holder shall have any right by reason of his being a Unit Holder to attend any meeting of shareholders, stockholders or debenture holders or to vote or take part in or consent to any company or shareholders', stockholders' or debenture holders' action;
- (iii) no Unit Holder shall by reason of any provision of the Deed and the relationship created hereby between the Manager, the Trustee and the Unit Holders, or in any event whatsoever, 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
- (iv) a Unit Holder shall not be under any obligation to indemnify the Manager and/or the Trustee in the event that the liabilities incurred by the Manager and/or the Trustee in the name of or on behalf of the Fund pursuant to and/or in the performance of the provisions of the Deed exceed the value of the assets of the Fund, and any right of indemnity of the Manager and/or the Trustee shall be limited to recourse to the Fund.

## **9 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.

Unit Holders, having the proper quorum may direct the Manager to summon for a meeting for the following purposes:

- (a) requiring the retirement or removal of the Manager;
- (b) requiring the retirement or removal of the Trustee;
- (c) considering the most recent financial statement of the Fund; or
- (d) giving to the Trustee such directions as the meeting thinks proper.

The quorum required for a meeting of Unit Holders shall be two (2) Unit Holders, whether present in person or by proxy, provided always that the quorum for a meeting of the Unit Holders convened for the purpose of voting on a Special Resolution shall be such number of Unit Holders

as shall amongst them collectively hold more than seventy-five per centum (75%) of the Units of the Fund as at the date of the notice of the meeting.

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

## 10 THE MANAGER

### 10.1 Corporate Information of the Manager

Opus Asset Management Sdn Bhd ("OpusAM") is a fund management company licensed under the Act to provide fund management services. OpusAM is a fund management company in Malaysia that **specializes in fixed income investments**, with asset under management exceeding RM3.2 billion as at 30 September 2015.

The Manager has discretion over the investments of the Fund but is subject to Guidelines and Relevant laws, the requirements of this Information Memorandum.

The Manager believes that asset prices are inter-related in different economies as well as between different asset classes. A "top-down" macro view is adopted before devising an appropriate investment strategy. The portfolio of investments in fixed income is then constructed after this macro-economic assessment and their impact on the fixed income asset class.

### 10.2 Roles & Functions of the Manager

The roles and functions of the Manager include the following:-

- (a) It shall be the principal duty of the Manager to manage and administer the Fund and its business in a proper, diligent and efficient manner in accordance with the Deed, all relevant laws, this Information Memorandum, and acceptable and efficacious business practice within the fund management industry in Malaysia.
- (b) Maintaining proper records of the Fund.
- (c) Conducting sales and repurchase of the units of the Fund.
- (d) Distributing statements and reports as and when required to the registered Unit Holders.
- (e) Ensuring the Units of the Fund are valued and priced correctly according to the provisions of the Deed.
- (f) Delivering to the SC any statements, documents, books and other particulars as may be required by the SC from time to time.
- (g) Ensuring that the Deed and this Information Memorandum are at all times in compliance with the Act, the Guidelines and relevant laws.
- (h) Ensuring that the Investment Committee meeting convened quarterly or any other interval as deemed appropriate by the Manager from time to time.

### 10.3 Profile of the Board of Directors

#### Shaun Chan Choong Kong, Chairman / Non-Independent Director

- Mr. Chan is one of the founders of Opus Asset Management Sdn Bhd. He has over 31 years of investment management / advisory experience. He started with HSBC Asset Management in Hong Kong where he eventually became the Chief Investment Officer for the Asian ex Japan markets. He was responsible for over USD3.2 billion of assets under management and a team of ten investment professionals. He was a pioneering investor in the emerging Asian markets and helped launch the Korean Asian Fund, which makes him one of the first foreign institutional investor in Korea. He also worked with the Asian Development Bank in launching the Asean Fund (1988) and the Asian Convertible Fund (1991). In 1993, Mr. Chan left HSBC to establish the Asian business for TCW Group Inc, a leading US based pension fund manager and grew the Asian business to over USD1.5 billion under management.

- ❑ Mr. Chan left Hong Kong in 1996 to return to Malaysia where he established Gadek Asset Management as a principal shareholder and managing director before selling it to Phileo Allied Bank in 1998. The Company was renamed Phileo Asset Management and established a niche in the management of fixed income products and other unit trust assets. Mr. Chan was also a non-executive director of Phileo Allied Berhad, the holding company of Phileo Bank. He left Phileo in 1999 to establish Opus Capital Sdn. Bhd. to focus on the provision of investment advisory services to several offshore private equity and real estate investment funds. He was also the principal partner of Pan Asia Capital Management, a HK based private equity company that managed in excess of USD100mil in private equity assets - the investments within Pan Asia Capital has since been exited. In 2002, the principal partners of Pan Asia Capital Management then started an investment fund to invest into Japanese real estate which had up to USD 400mil in gross value of real estate assets. These assets have since been repackaged into a REIT and listed in Singapore as Saizen REIT whereupon Mr. Chan exited from his involvement with the Japanese real estate group.
- ❑ Mr. Chan graduated from Trinity College, Cambridge with a degree in Economics. He held an Investment Manager's licence in Hong Kong (1986 to 1997) and a Fund Manager's Representative license in Malaysia (1997 to 1999). Currently, he holds a Capital Markets Services Representative's Licence.

#### **Siaw Wei Tang, Managing Director / Chief Investment Officer**

- ❑ Mr. Siaw is one of the founders of Opus Asset Management Sdn Bhd (OpusAM) and is currently holding the position of Managing Director and the Chief Investment Officer in the company. He started his career as a Risk Manager and Actuarial Consultant at NMG Risk Managers & Actuaries Sdn Bhd. He then joined Gadek Asset Management (later renamed Phileo Asset Management) in 1996 as the Portfolio Manager in charge of fixed income where he grew the fixed income portfolio under management to RM430 million over a four year period. Later, he joined HLG Asset Management in 2000 where he was responsible for over RM1billion of funds under management and a team of seven investment professionals. He was later promoted to General Manager, Investment/Chief Investment Officer of Hong Leong Assurance Bhd (HLA) in 2002 where he was responsible for approximately RM3 billion (of which approximately RM2 billion was in fixed income securities) of HLA's investment portfolio.
- ❑ Mr. Siaw holds an MSc degree in International Banking & Financial Studies from University of Southampton and BSc (Honours) degree in Actuarial Mathematics & Statistics from Heriot-Watt University, Edinburgh. He holds a Capital Markets Services Representative's Licence.

#### **Azam bin Azman, Non-Independent Director**

- ❑ Mr. Azam Azman was a Public Bank scholar and commenced his career with the Bank in 1989. He joined HSBC Group in 1992 and was trained in Hong Kong. He was later posted to HSBC Securities Services heading the settlement of securities team, which was then voted as the top rated custodian by the Global Custodian Magazine. Two years later, he served the Bank's Corporate Banking Department as part of the credit lending team. He was later seconded to HSBC Securities Services in 1997 to set up a new securities relationship team to manage Morgan Stanleys account and also a new Stock Borrowing and Lending (SBL) and Fixed Income desk in Malaysia.
- ❑ Mr. Azam joined Gadek Asset Management Sdn Bhd in 1997, later renamed Phileo Asset Management Sdn Bhd, heading a dedicated private equity investment team. He and Mr. Shaun Chan Choong Kong started Opus Capital as an independent investment adviser specialising in private equity business. He is also one of the founders of Opus Asset Management Sdn Bhd.

- Mr. Azam is an associate member of Institute Bank-Bank Malaysia (IBBM) and he was the Chairman of the Malaysia Venture Capital and Private Equity Association (MVCA). He graduated from University of East London, England with a Bachelor of Arts (Honours) degree in Accounting and Finance. He holds a Capital Markets Services Representative's Licence.

#### **Mohamed Ross Mohd Din, Independent Director**

- En. Ross is currently an Independent Non-Executive Director of HSBC Amanah Malaysia Berhad and Kumpulan Perangsang Selangor Berhad.
- En. Ross joined HSBC Bank Malaysia Berhad in 1973 and served in various capacities ranging from Branch Management to Corporate and Retail Banking. He was also Area Manager for Klang Valley and Southern regions. He served as Head of Treasury & Foreign Exchange and was also Head of Group Audit Malaysia between 1987 and 1996. During this period, he also worked for a short spell in Hong Kong, London and New York in the areas of Foreign Exchange & Treasury and Audit.
- Prior to his retirement from HSBC Bank Malaysia Berhad on 31 December 2007, he held the post of Managing Director (since 2003) of HSBC Amanah (Islamic subsidiary of HSBC Bank Malaysia) and was responsible for the Islamic retail and corporate business emanating from the branch network. On retirement, he was appointed as Senior Advisor and Executive Director in HSBC Amanah Takaful (Malaysia) Sendirian Berhad from 1 January 2008 to 31 December 2008. He also sits on an Advisory Board overseeing a Private Equity Fund (Ekuinas OFM Program) as an Independent Member. On 1 January 2015, he was appointed to the Board of Trustees of Lembaga Zakat Selangor under the jurisdiction of Majlis Agama Islam Selangor.
- En. Ross completed his Banking Diploma (Part 1) from The Institute of Bankers, United Kingdom in 1973.

#### **10.4 Profile of the Investment Committee**

There are three (3) members on the Investment Committee including one (1) Independent Member. The Investment Committee will meet at least once every quarter or such other times as may be decided by the Chairman.

##### Members of the Investment Committee

Shaun Chan Choong Kong (Chairman)  
Siaw Wei Tang (Non-Independent Member)  
Mahani Amat (Independent Member)

#### **10.5 Profile of the Key Management**

##### **Ng Lee Peng, Head of Fixed Income**

- Ms. Ng started her career as an Assistant Accountant with Phillip Commodities (M) Sdn Bhd in 1991. In 1992, she joined D&C Bank (now known as RHB Bank) as a management trainee specializing in the area of credit. She was later posted to head the credit department of the Port Klang Branch, servicing mainly corporate clients around Port Klang. Her job function includes marketing, submission of credit reports for approval and also loan recovery. In 1997, she left to join Eon Bank and was attached to the Corporate & Commercial Banking at Head Office. Besides marketing and credit proposals, she was responsible for the evaluation of credit reports submitted by branches for recommendation to the Credit Committee. She joined the Investment Department of Hong Leong Assurance Bhd in 1999, to manage the fixed income portfolio which grew from less than RM500 million to about approximately RM1.5 billion when she left in 2006.

- ❑ Ms. Ng graduated from Monash University, Australia and holds a Bachelor of Economics majoring in Accounting. She is also a Certified Practising Accountants under the Australian Society of CPAs (ASCPA). She holds a Capital Markets Services Representative's Licence.

#### **Noorshidah Ismail, Head, Business & Investment Services**

- ❑ Puan Noorshidah has vast experience in sales and marketing of financial and investment products. She started her career as a Loan Executive with Hong Leong Finance Berhad in 1984. She later joined Standard Chartered Bank in 1990 as the Mortgage Sales Manager. In Standard Chartered, she was responsible for the sales and marketing of mortgage loans in the Northern Region. She was also responsible for the setting-up of mortgage centre in Penang branch. Puan Noorshidah later joined Phileo Allied Bank in 1998 as Manager, Priority Banking. She was responsible for the setting-up of Priority Banking Centre in Penang, which caters to high network individuals. She was also directly accountable for the centre's sales and profitability.
- ❑ Before joining Opus Asset Management Sdn Bhd, Puan Noorshidah was with PM Securities – a stockbroking company. She started as General Manager, Business Development and subsequently, she was appointed as Head of Dealing in the company.
- ❑ She graduated from the University of Oregon, USA with a Bachelor of Science degree in Community Health. She previously held a Dealer's Representative's licence and she currently holds a Capital Markets Services Representative's Licence.

#### **Tan Cheng Hoon, Head of Operations and Finance**

- ❑ Ms Tan trained as an accountant with an international audit firm, Coopers & Lybrand (now known as Price WaterhouseCoopers) from 1986 to 1993. From 1993 to 1996, she joined Hwang-DBS Securities Sdn Bhd as Securities Manager before taking on the role of Head of Finance where she was involved in the successful listing exercise of Hwang-DBS Group on Bursa Malaysia. She then joined Gadek Asset Management (later renamed Phileo Asset Management) in 1996 as Head of Operations and was instrumental in setting up the equity and fixed income operations. She was also responsible for securing the regulatory approval for the set-up of Phileo Allied Unit Trust Management and the launch of unit trust funds before she left in 2000. From 2000 to 2002, she held various senior management positions with companies involved in information technology, manufacturing and education. She was attached with PacificMas Berhad from 2002 to 2011 as the Head of Group Finance & Investment as well as the Company Secretary.
- ❑ In 2011, she transferred to OCBC Bank (Malaysia) Berhad as Vice President to head capital planning and subsequently with Consumer Financial Services Division to manage finance & planning for unsecured financing.
- ❑ Ms Tan is a member of Malaysian Institute of Certified Public Accountants (MICPA) and a fellow member of Association of Chartered Certified Accountants (ACCA).

#### **Teoh Seh Ling, Compliance Officer**

- ❑ Prior to joining Opus Asset Management Sdn Bhd, she was the Head of Organisation & Methods of PM Securities Sdn Bhd.
- ❑ She was also briefly the Acting Secretary of several Board Committees and the main project coordinator for investment bank application. Ms. Teoh has more than 14 years experience in corporate loan, corporate listing, business support and policies documentation in commercial bank, manufacturing and stock broking companies.
- ❑ Ms. Teoh holds a Bachelor of Management from University of South Australia, Australia.



## 10.6 External Fund Accounting Manager and Valuation Agent

The Manager has appointed Deutsche Bank (Malaysia) Berhad to undertake the accounting and valuation function for the Fund.

Under the terms of the Service Level Agreement, Deutsche Bank (Malaysia) Berhad would amongst others:-

- a) maintain proper accounts in relation to the investments of the Fund including keeping records of all transactions, dividends, interests and income received and distributed;
- b) submitting the Fund's accounts to be audited by the approved company auditor at the end of the Financial Year or whenever required;
- c) produce the Fund's balance sheet, profit and loss statement, transaction statements and reports of assets held by the Fund;
- d) provide the daily valuation and pricing of the Fund; and
- e) carry out the daily notification of Unit prices.

Outsourcing the Fund's accounting and valuation function to an independent party provides added credibility to the accounting and valuation reports produced. In effect, Investors can be assured of the integrity of the Fund's accounting and valuation reports.

## 11 THE TRUSTEE

### 11.1 About Deutsche Trustees Malaysia Berhad

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

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

### 11.2 DTMB's Financial Position

	31 Dec 2014 (RM)	31 Dec 2013 (RM)	31 Dec 2012 (RM)
Paid-up share capital	3,050,000	3,050,000	3,050,000
Shareholders' funds	6,314,678	5,275,318	4,654,993
Revenue	9,779,401	8,292,251	5,725,581
Profit/(loss) before tax	5,009,315	4,156,392	3,066,962
Profit/(loss) after tax	3,948,097	2,908,737	2,288,412

### 11.3 Experience in Trustee Business

DTMB is part of Deutsche Bank's Institutional Cash & Securities Services, which provides trust, agency, depository, custody and related services on a range of securities and financial structures. As at 30 September 2015 DTMB is the trustee for 208 collective investment schemes including unit trust funds, wholesale funds, exchange-traded funds and private retirement schemes.

DTMB's trustee services are supported by Deutsche Bank (Malaysia) Berhad ("DBMB"), a subsidiary of Deutsche Bank, financially and for various functions, including but not limited to financial control and internal audit.

#### **11.4 Board of Directors**

Jacqueline William  
Janet Choi  
Jalalullail Othman\*  
Lew Lup Seong\*

\* *independent director*

#### **Chief Executive Officer**

Richard Lim

#### **11.5 Duties and Responsibilities of the Trustee**

DTMB's main functions are to act as trustee and custodian of the assets of the Fund and to safeguard the interests of Unit holders of the Fund. In performing these functions, the Trustee has to exercise due care and vigilance and is required to act in accordance with the relevant provisions of the Deed, the CMSA and all relevant laws.

#### **11.6 Trustee's Statement of Responsibility**

The Trustee has given its willingness to assume the position as trustee of the Fund and is willing to assume all its obligations in accordance with the Deed, the CMSA and all relevant laws. In respect of monies paid by an investor for the application of units, the Trustee's responsibility arises when the monies are received in the relevant account of the Trustee for the Fund and in respect of redemption, the Trustee's responsibility is discharged once it has paid the redemption amount to the Manager.

#### **11.7 Trustee's Disclosure of Material Litigation**

As at 30 September 2015 neither the Trustee nor its delegate is (a) engaged in any material litigation and arbitration, including those pending or threatened, nor (b) aware of any facts likely to give rise to any proceedings which might materially affect the business/financial position of the Trustee and any of its delegate.

#### **11.8 Trustee's Delegate**

The Trustee has appointed DBMB as the custodian of the assets of the Fund. DBMB is a wholly-owned subsidiary of Deutsche Bank AG. DBMB offers its clients access to a growing domestic custody network that covers over 30 markets globally and a unique combination of local expertise backed by the resources of a global bank. In its capacity as the appointed custodian, DBMB's roles encompass safekeeping of assets of the Fund; trade settlement management; corporate actions notification and processing; securities holding and cash flow reporting; and income collection and processing.

All investments of the Fund are registered in the name of the Trustee for the Fund, or where the custodial function is delegated, in the name of the custodian to the order of the Trustee for the Fund. As custodian, DBMB shall act only in accordance with instructions from the Trustee.

## **11.9 Disclosure on Related-party Transactions or Conflict of Interests**

As the Trustee for the Fund, there may be related party transactions involving or in connection with the Fund in the following events:

- (1) Where the Fund invests in the products offered by Deutsche Bank AG and any of its group companies (e.g. money market placement, etc.);
- (2) Where the Fund has obtained financing from Deutsche Bank AG and any of its group companies, as permitted under the SC's guidelines and other applicable laws;
- (3) Where the Manager appoints DBMB and/or DTMB to perform its back office functions (e.g. fund accounting and valuation and/or registrar and transfer agent); and
- (4) Where DTMB has delegated its custodian functions for the Fund to DBMB.

DTMB will rely on the Manager to ensure that any related party transactions, dealings, investments and appointments are on terms which are the best that are reasonably available for or to the Fund and are on an arm's length basis as if between independent parties.

While DTMB has internal policies intended to prevent or manage conflicts of interests, no assurance is given that their application will necessarily prevent or mitigate conflicts of interests. DTMB's commitment to act in the best interests of the unit holders of the Fund does not preclude the possibility of related party transactions or conflicts.

## **12 OTHER INFORMATION**

### **12.1 Distributors' and Referral Fee**

The Manager may appoint distributor(s) and/or referrer(s) for the Fund. Any distributor fee, referral fee and/or recurring service fee and/or any other fees relating to the distributors and referrers will be borne by the Manager and not charged to the Fund or the Unit Holder.

### **12.2 Modification to 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.

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**TAXATION ADVISER'S LETTER  
ON TAXATION OF THE FUND AND UNIT HOLDERS  
(Prepared for inclusion in the Opus Global Income Fund  
Information Memorandum)**

**PricewaterhouseCoopers Taxation Services Sdn Bhd**  
Level 10, 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

9 November 2015

**TAXATION OF THE FUND OFFERED UNDER THE INFORMATION MEMORANDUM AND  
UNIT HOLDERS**

Dear Sirs,

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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 Fund 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) Domestic Investments**

**(i) General taxation**

Subject to certain exemptions, the income of the Fund consisting of dividends, interest income (other than interest income 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 on disposal of investments by the Fund will not be subject to Malaysian income tax.

## **(ii) Dividend and other exempt income**

Effective 1 January 2014, all companies would 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. There will no longer be any tax refunds available for single-tier dividends received. Dividends received from companies under the single-tier system would be exempted.

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 discount income derived from the following investments is exempt from tax:

- (a) Securities or bonds issued or guaranteed by the government of Malaysia;
- (b) Debentures<sup>1</sup> or Islamic Securities<sup>2</sup>, other than convertible loan stocks, approved by the Securities Commission<sup>3</sup> Malaysia; and
- (c) Bon Simpanan Malaysia issued by Bank Negara Malaysia.

Interest income derived from the following investments is exempt from tax:

- (a) Interest income paid or credited by any bank or financial institution licensed under the Financial Services Act 2013 and Islamic Financial Services Act 2013 with effect from 30 June 2013;
- (b) Interest income paid or credited by any development financial institution regulated under the Development Financial Institutions Act 2002 with effect from year of assessment ("YA") 2015; and
- (c) Bonds, other than convertible loan stocks, paid or credited by any company listed in Bursa Malaysia Securities Berhad ACE Market.

The interest or discount income exempted from tax at the Fund's level will also be exempted from tax upon distribution to the unit holders.

## **(2) Foreign Investments**

Income of the Fund in respect of overseas investment is exempt from Malaysian tax by virtue of Paragraph 28 of Schedule 6 of the Act and distributions from such income will be tax exempt in the hands of the unit holders. Such income from foreign investments may be subject to taxes or withholding taxes in the specific foreign country. However, any foreign tax suffered on the income in respect of overseas investment is not tax refundable to the Fund in Malaysia.

The foreign income exempted from Malaysian tax at the Fund level will also be exempted from tax upon distribution to the unit holders.

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<sup>1</sup> Structured products approved by the Securities Commission Malaysia are deemed to be "debenture" under the Capital Markets and Services Act, 2007 and fall within the scope of exemption.

<sup>2</sup> It was recently announced during 2016 Budget that the words "Islamic Securities" will be substituted with the words "sukuk" upon coming into operation of the Finance Act.

<sup>3</sup> It was recently announced during 2016 Budget that the words "approved by the Securities Commission" will be substituted with the words "approved or authorized by, or lodged with, the Securities Commission" upon coming into operation of the Finance Act.



### **(3) 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.

### **(4) 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.

### **(5) Real Property Gains Tax ("RPGT")**

With effect from 1 January 2014, any gains on disposal of real properties or shares in real property companies<sup>4</sup> would be subject to RPGT as follows:-

<b>Disposal time frame</b>	<b>RPGT rates</b>
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	5%

### **(6) Goods and Services Tax ("GST")**

GST has been implemented effective 1 April 2015 at the rate of 6% to replace the existing sales tax and service tax. Based on the draft guideline<sup>5</sup> issued, the Fund, being collective investment vehicles, will be making exempt supplies. Hence, the Fund is not required to register for GST purposes. However, the Fund will incur expenses such as management fees, Trustee fees and other administrative charges which will be subject to 6% GST. The 6% input tax incurred on such expenses will not be claimable by the Fund and represents a cost to the Fund.

4 A real property company is a controlled company which owns or acquires real property or shares in real property companies with a market value of not less than 75 per cent of its total tangible assets. A controlled company is a company which does not have more than 50 members and is controlled by not more than 5 persons.

5 Pursuant to GST Guide on Fund Management (draft as at 27 October 2013 issued by the Royal Malaysian Customs).



## 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. No additional withholding tax will be imposed on the income distribution from the Fund.

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>6</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 25<sup>7</sup> per cent. Individuals and other non-corporate unit holders who are not resident in Malaysia will be subject to income tax at 25<sup>8</sup> 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 and gains arising from the disposal of investments by the Fund will be exempted from tax in the hands of the unit holders.

Any gains realised by unit holders (other than dealers 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 gains 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.

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6 Resident companies with paid up capital in respect of ordinary shares of RM2.5 million and below will pay tax at 19 per cent for the first RM500,000 of chargeable income with the balance taxed at 24 per cent.

With effect from year of assessment 2009, the above shall not apply if more than -

- a) 50 per cent of the paid up capital in respect of ordinary shares of the company is directly or indirectly owned by a related company;
- b) 50 per cent 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 per cent 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 year of assessment.

7 It was recently announced during the 2016 Budget that the income tax rates for individual tax residents in Malaysia will be increased to rates ranging from 1 to 28 per cent effective YA 2016.

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

The issuance of units by the Fund is an exempt supply. The selling or redemption of the units is also an exempt supply and therefore is not subject to GST. Any fee based charges related to buying of the units such as sales or service charge or switching fees will be subject to GST at a standard rate of 6%.

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**

A handwritten signature in black ink, appearing to read 'Jennifer Chang', written over a large, faint circular watermark or background mark.

Jennifer Chang  
Senior Executive Director

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





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ON TAXATION OF THE FUND AND UNIT HOLDERS  
(Prepared for inclusion in the Opus Global Income Fund  
Information Memorandum)**

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9 November 2015

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Jennifer Chang  
Senior Executive Director

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