

INFORMATION MEMORANDUM

For

OPUS SHARIAH INCOME FUND

Dated 18 September 2013

Managed by

OPUS ASSET MANAGEMENT SDN BHD (414625-T)

A company incorporated in Malaysia under the Companies Act 1965

Trustee

CIMB COMMERCE TRUSTEE BERHAD (313031-A)

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 Opus Asset Management Sdn Bhd and they collectively and individually accept full responsibility for the accuracy of all information contained herein and confirm, having made all enquiries which are reasonable in the circumstances, that to the best of their knowledge and belief, there are no other facts omitted which would make any statement herein misleading.

Shariah Compliant Wholesale Fund

Opus Shariah Income Fund has been certified as shariah compliant wholesale fund by the shariah adviser.

Statements of Disclaimer

The Securities Commission Malaysia has authorized the wholesale fund, the subject of this information memorandum, and the authorization shall not be taken to indicate that the Securities Commission Malaysia recommends the investment.

The Securities Commission Malaysia will not be liable for any non-disclosure on the part of the fund management company and takes no responsibility for the contents of the 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.

There are fees and charges involved and investors are advised to consider the fees and charges before investing in the wholesale fund.

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

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1 DEFINITIONS

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

"Act"	means Capital Markets and Services Act 2007 as may be amended from time to time
"Application Form"	means the application form for the purchase of Units which will be provided by the Manager from time to time
"Auditor"	means Crowe Horwath (AF1018)
"BNM"	means Bank Negara Malaysia
"Bursa Malaysia"	means the stock exchange managed and operated by Bursa Malaysia Securities Berhad
"Business Day"	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
"Cash Produce"	means all cash receivable by the Trustee in the form of dividends, bonuses and interest, 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
"Commencement Date"	means the date of this Information Memorandum
"Deed"	means the deed dated 5 August 2013 in respect of the Opus Shariah Income Fund entered into between the Manager and the Trustee in respect of the Fund as may be modified from time to time
"Fund" or "Opus SIF"	means Opus Shariah Income Fund
"Guidelines"	means Guidelines on Wholesale Funds issued by the SC on 18 February 2009 as may be amended from time to time
"Investors"	means a Qualified Investor who fall under any of the following category of investors and qualifying criteria:-

Qualified Investors	
Category of Investors	Qualifying Criteria
High Net-Worth Individual	(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.
High Net-Worth Entity	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.

Accredited Investor	a) A holder of Capital Markets Services Licence.
	b) A unit trust scheme or a prescribed investment scheme.
	c) A closed-end fund.
	d) A licensed institution.
	e) An Islamic bank.
	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 licensed 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

"Net Asset Value Per Unit" or "NAV per Unit"

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

"Information Memorandum"

means this information memorandum in respect of the Fund which has been deposited with the SC

"RAM"

means RAM Holdings (208095-U)

"Relevant Authorities"	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
"Relevant Laws"	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
"Redemption Form"	is the form for the request for redemption of Units which will be provided by the Manager from time to time
"Redemption Processing Date"	means Redemption Form will be processed by the Manager before 4:00 p.m. on every Business Day
"SC"	means Securities Commission Malaysia established under the Securities Commission Act 1993
"Special Resolution"	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
"Sukuk"	refers to certificates of equal value which evidence undivided ownership or investment in the assets using Shariah principles and concepts endorsed by Shariah Advisory Council established under section 316A of the Act, but shall not include any agreement for a financing/investment where the financier/investor and customer/investee are signatories to the agreement and where the financing/investment of money is in the ordinary course of business of the financier/investor, and any promissory note issued under the terms of such an agreement.
"Tax Adviser"	means Crowe Horwath KL Tax Sdn Bhd (10709-X)
"Trustee"	means CIMB Commerce Trustee Berhad (313031-A) and its successor-in-title
"Unit"	is a measurement of the right or interest of a Unit Holder in the Fund and means a Unit of the Fund
"Unit Holder"	means the person for the time being who is registered as a holder of Units
"Valuation Point"	means the end of every Business Day or such other time as determined by the Manager from time to time

2 CORPORATE DIRECTORY

THE MANAGER	:	Opus Asset Management Sdn Bhd (414625-T)
Registered Address	:	2 nd 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 website: www.opusasset.com
BOARD OF DIRECTORS OF THE MANAGER	:	Shaun Chan Choong Kong (Chairman) Siaw Wei Tang (Director) Azam bin Azman (Director)
INVESTMENT COMMITTEE MEMBERS OF THE FUND	:	Shaun Chan Choong Kong (Chairman) Siaw Wei Tang (Non-Independent Member) Mahani Amat (Independent Member)
TRUSTEE	:	CIMB Commerce Trustee Berhad (313031-A)
Registered Address	:	5th Floor, Bangunan CIMB Jalan Semantan Damansara Heights 50490 Kuala Lumpur Telephone: + 6 03 2084 8888 Facsimile: + 60 3 2093 9688
Business Address	:	Level 7, Wisma Amanah Raya Berhad Jalan Semantan Damansara Heights 50490 Kuala Lumpur Telephone: + 60 3 2084 8888 Facsimile: + 60 3 2095 5473 website: www.cimb.com
TRUSTEE'S DELEGATE	:	CIMB Group Nominees (Tempatan) Sdn Bhd (274740-T) as Custodian
Registered Address	:	5th Floor, Bangunan CIMB Jalan Semantan Damansara Heights 50490 Kuala Lumpur Telephone: + 6 03 2084 8888 Facsimile: + 60 3 2093 9688

Business Address : Level 7, Wisma Amanah Raya Berhad
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur
Telephone: + 60 3 2084 8888
Facsimile: + 60 3 2093 3720
website: www.cimb.com

SHARIAH ADVISER : Professor Dato' Dr. Mohd Ali Hj. Baharum
Pejabat Presiden
Wisma Ungku A. Aziz
Jalan SS 6/1, Kelana Jaya
47301 Petaling Jaya
Selangor
Telephone: + 60 3 7800 7811
Facsimile: + 60 3 7806 1519

AUDITOR : Crowe Horwath (AF 1018)
Level 16 Tower C, Megan Avenue II
No. 12 Jalan Yap Kwan Seng
50450 Kuala Lumpur
Telephone: + 60 3 2788 9999
Facsimile: + 60 3 2788 9998

TAX ADVISER : Crowe Horwath KL Tax Sdn Bhd (10709-X)
C15-5 Level 15, Tower C
Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur
Telephone: + 60 3 2788 9898
Facsimile: + 60 3 2788 9899

COMPANY SECRETARY : Soong Yoke Yin (MAICSA 7020986)
Chang Yoke Yin (MAICSA 7003097)
Ikhtisas Associates Sdn Bhd (544684-U)
2nd 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

Name of Fund

Opus Shariah Income Fund ("Opus SIF")

Investment Objective

To achieve higher returns than the benchmark over the medium to long-term*, while preserving capital** and providing an opportunity for income.

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

*** Opus SIF is neither a capital guaranteed fund nor a capital protected fund.*

Investment Strategy

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 Sukuk, islamic money market instruments, islamic placement of deposits and other permitted investments with varying maturities such as 3 months, 6 months, 1 year, 3 years, 5 years, 10 years or more. The Fund may also invest in foreign markets*.

** Note: The Manager has not identified the foreign markets that the Fund will invest into. Should the Fund invest in foreign markets, a supplemental/replacement Information Memorandum will be issued. Investors will also be notified of the investment in foreign markets via the first Fund's report (be it the quarterly or annual report) after such investment in foreign markets. Please refer details in Section 7.3.8.*

Asset Allocation

Asset Class	% of Fund's NAV
Sukuk, islamic money market instruments and islamic 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;
- Interest rate risk;
- Credit and Default risk;
- Liquidity risk;
- Inflation/Purchasing power risk;
- Currency risk;
- Country risk;
- Concentration risk; and
- Equity risk.

Benchmark	<p>Maybank, 12-Month Islamic Fixed Deposit Rate.</p> <p><i>Note: The Fund and the benchmark have differing risk profiles where the Fund will assume higher risks.</i></p>
Pricing basis	<p>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.</p> <p><i>* Note: (i) Forward pricing for subscription is effected at the NAV per Unit of the Fund calculated at the end of each Business Day.</i></p> <p><i>(ii) Forward pricing for redemption is effected at the NAV per Unit of the Fund calculated on the fifth (5th) Business Day from the Redemption Processing Date (inclusive)</i></p> <p><i>Please refer to Section 7.2.1 and 7.2.2 for details.</i></p>
Financial Year	<p>The period of twelve (12) months ending on 30 June of every calendar year. The first financial year of the Fund shall commence on the Commencement Date and end on 30 June 2014.</p>
Duration	<p>The duration of the Fund is indefinite and may be terminated by the Manager or the Trustee at any time in accordance with the Deed.</p>

3.2 Fees and Charges

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

Sales Charge	Nil.
Redemption Charge	Nil.
Switching Fee	Nil.
Transfer Fee	Nil.
Other Charges	<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. 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:-

Annual Management Fee	Up to 1.00% per annum of the NAV of the Fund calculated daily and payable on a monthly basis.
Annual Trustee Fee [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.
List of Expenses directly related to the Fund [for full details, please refer to Section 6.3]	<ul style="list-style-type: none"> • Auditors' fee; • Tax Adviser's fee; • Taxes; • Printing and delivery of tax vouchers; • Printing and delivery charges of monthly statement, quarterly reports and annual reports, and any other reports required by the Relevant Authorities to be issued by the Manager in relation to the Fund; and • Any other charges permitted by the Deed. <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

Minimum Initial Investment	RM250,000 or such other amount as may be determined by the Manager from time to time.
Minimum Additional Investment	RM10,000 or such other amount as may be determined by the Manager from time to time.
Minimum Redemption	10,000 units or such other amount as may be determined by the Manager from time to time.
Minimum Holding per Unit Holder	250,000 units or such other amount as may be determined by the Manager from time to time.
Initial Offer Price	RM1.00 per unit.
Initial Offer Period	The period of seven (7) Business Days from the date of this Information Memorandum.
Conditions for Subscription	<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> <p>Please refer to Section 7.2 for details.</p>

Conditions for Redemption	<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 (5th) 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> <p>Please refer to Section 7.2 for details.</p>
Frequency of Processing Subscription	<p>Every Business Day before 4:00 p.m. (subject to Conditions for Subscription outlined above and in Section 7.2)</p>
Frequency of Processing Redemption	<p>Every Business Day before 4:00 p.m. (subject to Conditions for Redemption outlined above and Special Redemption Mechanism outlined in Section 7.2)</p>
Manager's Rights	<p>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.</p> <p>The Manager reserves the right to accept or reject any application in whole or part thereof without assigning any reason.</p>

3.4 Distribution Policy

Distribution Policy	<p>Subject to the availability of income, the Fund will distribute income at least once a year.</p> <p>Please refer to Section 7.3 for details.</p>
Reinvestment Policy	<p>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.</p> <p>Please refer to Section 7.3 for details.</p>

Past earnings of a Fund's distribution records are not a guarantee or a reflection of the Fund's future earnings/distribution.

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

Prospective Unit Holders should read and understand the contents of this Information Memorandum and if necessary, consult their adviser(s).

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

To achieve higher returns than the benchmark over the medium to long-term*, while preserving capital** and providing an opportunity for income.

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

*** Opus SIF is neither a capital guaranteed fund nor a capital protected fund.*

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 deposited/submitted to the SC as soon as practicable.

4.2 Asset Allocation

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

Asset Class	% of Fund's NAV
Sukuk, islamic money market instruments and islamic placement of deposits	Minimum 70%
Other permitted investments	Maximum 30%

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 Sukuk 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.

4.3 Investment Strategy

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 Sukuk, islamic money market instruments, islamic placement of deposits and other permitted investments with varying maturities such as 3 months, 6 months, 1 year, 3 years, 5 years, 10 years or more. The Fund may also invest in foreign markets*.

** Note: The Manager has not identified the foreign markets that the Fund will invest into. Should the Fund invest in foreign markets, a supplemental/replacement Information Memorandum will be issued. Investors will also be notified of the investment in foreign*

markets via the first Fund's report (be it the quarterly or annual report) after such investment in foreign markets. Please refer details in Section 7.3.8.

The Manager will invest a minimum of 70% of the Fund's NAV in Sukuk, islamic money market instruments and islamic placement of deposit. A maximum of 30% of the Fund's NAV will be invested in other permitted investments. The asset allocation is determined after taking into account the assessment of global and domestic economic trends, changes in companies or in the environment in which they operate at both macro and micro levels.

Fixed income securities, which is an asset class, is not viewed in isolation; instead a 'top-down' macro view of different asset classes such as domestic and foreign equities, commodities and foreign currency inter-relationships are sought before devising an appropriate investment strategy. This will then set the framework for the asset allocation decision, maturity structure for the Fund as well as decision on whether to liquidate, hold to maturity or convert a convertible Sukuk into equity and subsequently liquidating it.

The Fund will focus on consistent, above-average returns from fundamental research of credit and market analysis rather than from frequent trading. Emphasis is placed on credit-worthiness of the issuer of security. A disciplined application of the 'top-down' investment process is, therefore, applied with due consideration given to the credit standing of individual issuers.

4.4 Performance Indicator/Benchmark

Performance Indicator/Benchmark

Maybank, 12-Month Islamic 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 investments, which must be consistent with the investment objectives:

- (i) Sukuk, islamic money market instrument and islamic money placement:
 - (a) Sukuk issued or guaranteed by the Malaysian Government, Bank Negara Malaysia, any other Malaysian government related or Malaysian quasi-government related bodies;
 - (b) listed or unlisted, rated or unrated, tradable or non-tradable Sukuk including those convertible into equity*;
 - (c) foreign Sukuk in foreign currencies;
 - (d) islamic tradable money-market instruments;
 - (e) islamic money placements or deposits placed with licensed financial institutions or authorized dealers; and
 - (f) islamic deposits in foreign currencies.

- (ii) Other permitted investments:
 - (a) islamic repurchase agreements of any Sukuk mentioned in (i)(a) and (i)(b) above;

- (b) islamic treasury products, structured products and profit rate swaps;
- (c) islamic futures contracts and forward contracts;
- (d) units or shares in other Shariah-compliant 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 Sukuk. The Manager may sell the Sukuk prior to the conversion or choose to convert into equity. In the event the Manager converts the Sukuk into equity, the Manager will sell the said equity within three (3) months from the date of conversion.*

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) For rated securities, the minimum credit rating for long term (i.e. tenure which exceed one year) Sukuk and short term (i.e. tenure which is less than one year) Sukuk shall be at least BBB3 or P3 by RAM or equivalent ratings by MARC, at the time of purchase.
- (iii) If the NAV is RM30 million and below, there will not be any single or group issuer limits employed.
- (iv) if the NAV is above RM30 million, the following limits will be employed:
 - (a) investment in any Sukuk issued by any single issuer shall not exceed 30% of NAV of the Fund, at the time of purchase, except for (b) and (c) below;
 - (b) investment in any private Sukuk issued by licensed financial institutions, Telekom Malaysia Berhad, Tenaga Nasional Bhd, Petronas Berhad and Khazanah Nasional Berhad or their related companies which are rated at least AA3 or P1 by RAM or equivalent ratings by MARC shall not exceed 50% of Net Asset Value of the Fund, at the time of purchase.
 - (c) there is no maximum limits for single issuer for Shariah-compliant domestic securities issued by the Malaysian Government or foreign securities issued or guaranteed by the Malaysian Government, Bank Negara Malaysia, any other government related or quasi-government related bodies. Such instruments include Malaysian Government Securities, Treasury Bills, Bank Negara Bills, etc.

4.7 Valuation of the Fund

The NAV and the NAV per Unit shall be determined as at the Valuation Point.

The basis of valuation of the investments of the Fund is generally valued in accordance with their respective asset classes.

In respect of investments of the Fund in listed securities which are quoted on a stock exchange, the valuation will be based on the last transacted market price of the securities, namely the price

at a particular Valuation Point. For suspended securities, it is at the Manager's sole discretion to value the securities at a price which it believes to be fair and to be agreed by the Auditor and approved by the Trustee.

Investment in unquoted securities (other than bond and fixed income securities) will be valued based on methods deemed to be fair and reasonable that are acceptable to the Manager, verified by the Auditor and approved by the Trustee.

Investments in unlisted fixed income securities will be valued in the following order of priority:

- (i) at least weekly by reference to the average indicative yield quoted by at least three (3) independent financial institutions selected by the Manager; or
- (ii) the indicative or reference yield/price obtained from an independent bond pricing agency selected by the Manager; or
- (iii) the fair value as determined in good faith by the Manager, on methods or basis to be decided by the Manager at its sole discretion (subject to approval by the Auditor and the Trustee).

Investments in tradable money-market instruments are valued based on accretion method using yield or discount rate at cost.

4.8 Policy on Gearing

The Fund may 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

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 economic conditions, interest rates, 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 (as explained in Section 4.2);
- 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.

5.2 Specific Risks of the Fund

(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 interest rate is a general indicator that will have an impact on the management of funds regardless the Fund is a Shariah fund or otherwise. All the investments carried out for the Fund are Shariah-compliant.

The Manager adopts a 'top-down' investment approach to ensure a thorough evaluation of macro-economic factors is undertaken in order to form an 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 Sukuk and refers to the issuer of the Sukuk creditworthiness and its expected ability to repay debt. Default happens when the issuer is not able to make timely payments of interest or profit 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 Sukuk 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 Sukuk, 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 Sukuk and islamic money market instrument of the Fund in view that such investment are generally not as easily liquidated as compared to equities. In the event some of the Sukuk and islamic money market instrument 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) 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.

(f) 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.

(g) Concentration Risk

The Fund is susceptible to the concentration risk. As the Fund has no limit restriction for money placements or deposits with any single financial institution, there is a possibility that the Fund may be exposed to a single financial institution. The Fund may also be exposed to a single or group issuer limits if the NAV is RM30 million and below.

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

(h) Equity Risk

As disclosed under the "note" of Section 4.5, the Fund is allowed to hold redeemable Sukuk that are convertible into equity. In the event the Manager choose to convert the redeemable Sukuk into equity, the Fund will be exposed to equity risk. Equity risk refers to the performance of the equity securities that is much more volatile and difficult to predict as compared to Sukuk. The effect of such volatility and unpredictable performance of the equity securities may have an adverse impact on the Fund's NAV per Unit.

However, this risk is limited as the Manager will sell the said equity within three (3) months from the date of conversion.

6 FEES, CHARGES AND PRICES

6.1 Charges Directly Incurred

6.1.1 Sales Charge

The Manager does not intend to impose any sales charge.

6.1.2 Redemption Charge

There is no redemption charge imposed on a Unit Holder when a Unit Holder makes a redemption request.

6.1.3 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 1.00% 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.

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;
- Tax Adviser's fee;
- Taxes;
- Printing and delivery of tax vouchers;
- Printing and delivery charges of monthly statement, quarterly reports and annual reports and any reports required by the Relevant Authorities to be issued by the Manager in relation to 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 for goods and services such as research material, quotation services and computer software incidental to the investment management of the Fund provided that they are of demonstrable benefit to the Unit Holders.

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

7 Transaction Information

7.1 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:

	Securities Investment	RM 240,772,498
Add :	Assets (including cash)	18,668,352
		<hr/> 259,440,850
Less :	Liabilities	2,858,986
		<hr/> 256,581,864
	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)	351
	$\frac{256,581,864 \times 0.05\%}{365}$	
	Management Fee for the day (up to 1.00% per annum calculated based on the NAV)	7,030
	$\frac{256,581,864 \times 1.00\%}{365}$	
	NAV of the Fund	<hr/> <hr/> 256,574,483

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 RM256,574,483 at the point of valuation, the NAV per Unit will be:

NAV of the Fund	:	<u>RM256,574,483</u>
Number of Units in Circulation	:	<u>200,000,000 Units</u>
NAV per Unit	:	<u>1.2829</u>

Pricing Basis

The NAV per Unit of the Fund is computed at the end of each 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 (5th) 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 a completed Application Form, with the required documents and payment, at the office of the Manager 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 SIF**" OR WITH A RECEIPT FROM YOUR TELEGRAPHIC TRANSFER TRANSACTION.

Applications will only be accepted from investors who fall within the category of "Qualified 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 (before 4.00 p.m.) : 5 November 2013 (Tuesday)

NAV per Unit of the Fund effected : 5 November 2013 (Tuesday)

For example 2:

Investor submitted Application Form (after 4.00 p.m.) : 5 November 2013 (Tuesday)

NAV per Unit of the Fund effected : 6 November 2013 (Wednesday)

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 (5th) 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).

Example 1:

Investor submitted Redemption Form (before 4:00 p.m.)	:	4 November 2013 (Monday)
Redemption Processing Date	:	4 November 2013 (Monday)
NAV per Unit of the Fund effected	:	8 November 2013 (Friday)
Redemption payment date not later than	:	15 November 2013 (Friday)

Example 2:

Investor submitted Redemption Form (after 4:00 p.m.)	:	4 November 2013 (Monday)
Redemption Processing Date	:	5 November 2013 (Tuesday)
NAV per Unit of the Fund effected	:	11 November 2013 (Monday)
Redemption payment date not later than	:	18 November 2013 (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 250,000 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 a qualified 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.

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 November 2013 as per calendar below:

NOVEMBER 2013						
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

- The Fund's NAV is RM330 million.
- On 11 November 2013, 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 12 November 2013, no redemption request received.
- On 13 November 2013, 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 11 Nov 2013	A	12,500,000	15 Nov 2013 @ RM1.1515	14,393,750	22 Nov 2013
	B	7,500,000		8,636,250	
	C	5,000,000		5,757,500	
Day 2 12 Nov 2013	A	12,500,000	18 Nov 2013 @ RM1.1503	14,378,750	25 Nov 2013
	B	7,500,000		8,627,250	
	C	5,000,000		5,751,500	

Day 3 13 Nov 2013	A	12,500,000	19 Nov 2013 @ RM1.1488	14,360,000	26 Nov 2013
	B	7,500,000		8,616,000	
	C	5,000,000		5,744,000	
Day 4 14 Nov 2013	A	12,500,000	20 Nov 2013 @ RM1.1471	14,338,750	27 Nov 2013
	B	7,500,000		8,603,250	
	C	5,000,000		5,735,500	
Day 5 15 Nov 2013	D	3,500,000	21 Nov 2013 @ RM1.1462	4,011,700	28 Nov 2013

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 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 will 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 of 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 brokers 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

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. 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

Investors will be informed of the Fund's performance through monthly statement, quarterly reports and the audited annual report for each Financial Year of the Fund. Monthly statements

and reports (quarterly and annual) will be sent to Investors no later than one (1) month and two (2) months from the end of the stated periods respectively.

From these reports, Investors will be able to have an overview of the performance of the Fund and the investments of the Fund. Investors will also be able to obtain information regarding the NAV per unit of the Fund by contacting us.

PLEASE CONTACT OPUS ASSET MANAGEMENT'S CUSTOMER SERVICE AT TELEPHONE NO: +6 03 2288 8882.

7.3.9 How an Investor make a complaint

<p>For internal dispute resolution</p>	<p>For internal dispute resolution, you may contact the Compliance Officer:</p> <p>via phone : 03-2288 8882 ext. 65</p> <p>via fax : 03-2288 8889</p> <p>via email : enquiry@opusasset.com</p> <p>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</p>
<p>Securities Industries Dispute Resolution Corporation (SIDREC)</p>	<p>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):</p> <p>via phone : 03-2282 2280</p> <p>via fax : 03-2282 3855</p> <p>via email : info@sidrec.com.my</p> <p>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</p>
<p>Securities Commission Malaysia</p>	<p>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:</p> <p>via phone to Aduan Hotline : 03-62048999</p> <p>via fax : 03-62048991</p> <p>via email : aduan@seccom.com.my</p> <p>via online complaint form : www.sc.com.my available at</p> <p>via letter : Investor Affairs & Complaints Department Securities Commission Malaysia No 3 Persiaran Bukit Kiara Bukit Kiara 50490 Kuala Lumpur</p>

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; or
- (iii) require the transfer to the Unit Holder of any of the investments of the Fund.
- (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 an asset management company licensed under the Act to provide fund management services. OpusAM is an asset management company in Malaysia that **specializes in fixed income investments**, with asset under management exceeding RM2.6 billion as at 15 August 2013.

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, Director

- ❑ Mr. Chan has over 27 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 bil 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 bil 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 license 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

- ❑ Mr. Siaw 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 and he grew the fixed income portfolio under management to RM430 million in four years. He then 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 also approved by the Securities Commission as the Designated Fund Manager for all of HLG's unit trust funds. He was later promoted to General Manager, Investment/Chief Investment Officer of Hong Leong Assurance Bhd in 2002 where he was responsible for approximately RM3 billion (of which approximately RM2 billion in fixed income type securities) of HLA's investment portfolio and an investment management team of four professionals.
- ❑ Mr. Siaw is a member of the Investment Development Council in Federation of Investment Managers Malaysia ("FIMM"). He was also a member of the Investment Committee of Life Insurance Association of Malaysia ("LIAM") (2002-2004).
- ❑ He holds a MSc degree in International Banking & Financial Studies, University of Southampton, and B.Sc (Honours) degree in Actuarial Mathematics & Statistics from Heriot Watt University, both in United Kingdom. He holds a Capital Markets Services Representative's Licence.

Azam Azman, Non-Executive 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 Stanley account and also a new Stock Borrowing and Lending (SBL) or Fixed Income desk in Malaysia.

- ❑ Mr. Azam joined Gadek Asset Management Sdn Bhd in 1997 which was later renamed Phileo Asset Management Sdn Bhd, he was then 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 an associate member of Institute Bank-Bank Malaysia (IBBM) and he was the Chairman of the Malaysia Venture Capital and Private Equity Association (MVCA).
- ❑ Mr. Azam 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.

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)
Pn. 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, which was categorized as a corporate branch, servicing mainly corporate clients from the industrial area 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 doing marketing and credit proposals, she also evaluates credit reports submitted by branches and gives her recommendation to the Credit Committee. She then joined the Investment Department of Hong Leong Assurance Bhd in 1999, to manage the fixed income portfolio which grew from less than RM500m to about approximately RM1.5 billion.
- ❑ Ms. Ng graduated from Monash University, Australia and holds a Bachelor of Economics majoring in Accounting. She is also a Certified Practicing Accountants under the Australian Society of CPAs (ASCPA). She holds a Capital Markets Services Representative's Licence.

Noorshidah Ismail, Head of Business Development & Client Services

- ❑ 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. Noorshidah 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. Noorshidah later joined PhileoAllied Bank in 1998 as Manager, Priority & Private 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, 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.

Ken Tan Kiat Hwa, Head of Operations

- ❑ Mr. Tan is a Certified Public Accountant of CPA Australia and a member of Malaysian Institute of Accountant. His career started off as an auditor with Arthur Andersen in Singapore from 1990 to 1993. He returned to Malaysia to join consultancy firms, as a Consultant specializing in privatization, financial, tax and franchise consultancy over the next three years. He has extensive experience in finance and accounting, administration, human resources and operations functions, having served as Financial Controller in Neucor Alliance (M) Sdn Bhd, followed by Finance Manager in DFS Sdn Bhd and Group Financial Controller in Vision New Media group of companies.
- ❑ Mr. Tan graduated with a Bachelor Degree of Commerce from the University of Melbourne, Australia. He also hold a Master of Business Administration Degree from the University of Strathclyde, United Kingdom.

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 13 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 Profile of Shariah Adviser

Professor Dato' Dr. Mohd Ali Hj Baharum

- ❑ Professor Dato' Dr. Mohd Ali Hj Baharum received his early education in the Arabic and Religious discipline at Maktab Mahmood, Alor Setar. He obtained a Bachelor of Islamic Studies (Hons) in Law & Syari'a field as well as a Diploma in Education from UKM in 1976 and L.L.M. (Masters of Law), UM in 1979.
- ❑ He was employed for a few years as Business and Contract Law's Lecturer at the Faculty of Islamic Studies in UKM before furthering his studies in 1983 at the Faculty of Law, University of Essex, England and successfully obtained a PhD (Law) in 1986.
- ❑ In 1987, he received a Diploma of Translation from Dewan Bahasa & Pustaka and in 1990, he obtained a Diploma in Arabic from African International University, Khartoum, Sudan. He also received an MBA (Masters of Business Administration) from UKM and Diploma of English from Stamford College. Returning back from England, he lectured at the Faculty of Law, UKM. He was later awarded 'Adjunct Professor' from Universiti Utara Malaysia in December 2005.
- ❑ He has been actively involved in social activities such as being the Shariah Adviser for financial institutions. Among others, are the BNP PARIBAS Bank (2012-present), Securities Commission (2000-2008), Bank Negara Malaysia (2004 – 2006) and The Royal Bank of Scotland (since 2007-2009) and Malaysia Building Society Berhad (2006-2011).
- ❑ Besides being an advisor, he is also involved in cooperative movements and is elected for the positions by the respective institutions i.e. President of ANGKASA; Board Member of Koperasi Belia Islam (M) Berhad (Malaysian Islamic Youth Co-operative); Chairman of the Konsortium Koperasi Pengguna Malaysia Berhad (Malaysian Consumers' Co-operative Consortium); Board Member of Co-pakat Mara Berhad and Committee of Muafakat MARA.

- He also plays an important role in bridging ties with Sudan by being the Committee Member of Malaysian – Sudanese Friendship Association (MASOFA). Currently, he also sits on the Board Member of Co-operative College of Malaysia and Kanz Holding Sdn Bhd.

11 THE TRUSTEE

11.1 About CIMB Commerce Trustee Berhad

CIMB Commerce Trustee Berhad was incorporated on 25 August 1994 and registered as a trust company under the Trust Companies Act, 1949 and having its registered office at 5th Floor, Bangunan CIMB, Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur, Malaysia. The Trustee is qualified to act as a trustee for collective investment schemes approved under the Act.

CIMB Commerce Trustee Berhad has an authorised capital of RM5,000,000 divided into 500,000 ordinary shares of RM10 each of which the total issued capital is RM3,500,000 divided into 350,000 ordinary shares of RM10 each, and the total paid up capital is RM1,750,000 divided into 350,000 ordinary shares of RM10 each and partly paid-up at RM5 each.

Shareholders	%
S.B. Venture Capital Corporation Sdn Bhd	20
S.B. Properties Sdn Bhd	20
CIMB Bank Berhad	20
CIMB Berhad	20
CIMB Holdings Sdn Bhd	20
Total	100
	=====

11.2 Financial Position

	31 Dec 2012 (RM 000)	31 Dec 2011 (RM 000)	31 Dec 2010 (RM 000)
Paid-up share capital	1,750	1,750	1,750
Shareholders' funds	8,600	6,601	6,497
Turnover	7,917	6,289	7,113
Profit/(loss) before tax	2,596	1,802	2,588
Profit/(loss) after tax	1,999	1,354	1,936

11.3 Experience in Trustee Business

As at 15 August 2013 CIMB Commerce Trustee acts as trustee to one (1) real estate investment trust funds, fifty seven (57) unit trust funds, one (1) private retirement scheme (consisting of four (4) funds) and twelve (12) wholesale funds.

In addition to overseeing these funds, CIMB Commerce Trustee also acts as trustee to private debt securities issues such as bonds and notes. Other than being the administrator of deceased's estates, executor of wills, trustee for minors or incapacitated persons, CIMB Commerce Trustee also acts as trustee for public, charitable, staff retirement, and pension/ gratuity fund scheme, custodian trustee for associations, clubs and others.

CIMB Commerce Trustee is supported by 21 staffs comprise of 20 executives and 1 non executive as at 15 August 2013.

11.4 Board of Directors

The following table sets out information regarding the Board of Directors of CIMB Commerce Trustee:-

<u>Name</u>	<u>Directorship</u>
Zahardin Omardin	Non-Executive, Independent Director & Chairman
Chan Swee Liang Carolina	Non-Executive, Non-Independent Director
Liew Pik Yoong	Executive, Non-Independent Director

Head/Director, Group Trustee Services

Liew Pik Yoong

Head of Operations

Lee Kooi Yoke

11.5 Duties and responsibilities of the Trustee

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

- (a) Take into custody the investments of the Fund and hold the investments in trust for the Unit Holders;
- (b) Ensure that the Manager operates and administers the Fund in accordance with the provisions of the Deed, Guidelines and Relevant Laws;
- (c) As soon as practicable notify the SC of any irregularity or breach of the provisions of the Deed, Guidelines and any other matters which in the Trustee's opinions may indicate that the interests of Unit Holders are not served;
- (d) Exercise reasonable diligence in carrying out its functions and duties, in actively monitoring the operations and management of the Fund by the Manager to safeguard the interests of Unit Holders;
- (e) Maintain, or cause the Manager to maintain, proper accounting records and other records as are necessary to enable a complete and accurate view to be formed and to ensure that the Fund is operated and managed in accordance with the Deed, Information Memorandum, the Guidelines, the Act and all Relevant Laws; and
- (f) Require that the accounts be audited at least annually.

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

11.6 Statement of Responsibility by the Trustee

The Trustee has given its willingness to assume the position as Trustee of the Fund and all the obligations in accordance with the Deed, all relevant laws and rules of law.

11.7 Disclosure on Related-Party Transactions/Conflict of Interests

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

- (a) Where the Fund invest in instrument(s) offered by CIMB Group; and
- (b) Where the assets of the Fund are being custodised by the CIMB Group both as sub-custodian of this Fund (ie Trustee's delegate)

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

11.8 Trustee's Delegate

CIMB Commerce Trustee Berhad has appointed CIMB Group Nominees (Tempatan) Sdn Bhd as the Trustee's delegate to perform custodial function. CIMB Group Nominees (Tempatan) Sdn Bhd is a wholly owned subsidiary of CIMB Bank Berhad. Its custodial function includes safekeeping, settlement and corporate action related processing and cash and security reporting,

All investments are automatically registered in the name of the Fund. CIMB Group Nominees (Tempatan) Sdn Bhd acts only in accordance with instructions from the Trustee.

11.9 Material Litigation and Arbitration

As at 15 August 2013, the Trustee is not engaged in any material litigation and arbitration, including those pending or threatened, and any facts likely to give rise to any proceedings which might materially affect the business/financial position of the Trustee or any of its delegates.

12 OTHER INFORMATION

12.1 Distributors' 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 deposited 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.

30 July 2013

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Dear Sirs

OPUS SHARIAH INCOME FUND TAXATION OF THE FUND AND UNIT HOLDERS

This letter has been prepared for inclusion in the Information Memorandum in connection with the offer of units in the wholesale fund known as the Opus Shariah Income Fund (hereinafter referred to as “the Fund”).

1. INFORMATION ON THE FUND

The Fund represents a wholesale fund investment scheme falling within the *Guidelines on Wholesale Funds* issued by the Securities Commission.

2. A “WHOLESALE FUND” IS A UNIT TRUST

The terms “unit trust” or “wholesale fund” are not specifically defined under the Malaysia Income Tax Act, 1967 (“MITA”). As such, reference is made to guidelines and rules issued by the Securities Commission and the provisions under the Securities Commission Act, 1993 for the definitions of these terms.

2.1. Unit trust

Pursuant to the Securities Commission Act, 1993:

“Unit trust scheme” means *any arrangement made for the purpose, or having the effect, of providing facilities for the participation of persons as beneficiaries under a trust in profits or income arising from the acquisition, holding, management or disposal of—*

- (i) securities;*
- (ii) futures contracts; or*
- (iii) any other property.*

2.2. Wholesale fund

According to the Securities Commission's *Guidelines on Wholesale Funds* issued on 18 February 2009:

"Wholesale fund" means a unit trust fund, the units of which are issued, offered for subscription or purchase, or for which invitations to subscribe for or purchase the units have been made, exclusively to qualified investors.

Based on the above definitions, a wholesale fund investment scheme is a unit trust scheme. It thus follows that the tax treatments accorded to a unit trust under the MITA should also be applicable to a wholesale fund.

3. TAXATION OF A UNIT TRUST FUND

3.1 Taxable income

The taxation of the Fund which is a unit trust scheme is governed principally by Sections 61 and 63B of the MITA. Further, the Inland Revenue Board of Malaysia ("IRBM") has issued the Public Ruling 6/2013: Unit Trust Funds - Part II – Taxation of Unit Trusts dated 23 May 2013 to explain the tax treatments for Unit Trust Funds. The Fund's Trustee is CIMB Commerce Trustee Berhad, which is a resident in Malaysia for tax purposes. As the trustee is a tax resident in Malaysia, the Fund is regarded as a Malaysian tax resident.

The income of the Fund in respect of dividends, interest or profits from deposits and other investment income derived from or accruing in Malaysia is liable to income tax unless specifically exempted under the law. In this respect, any gains or profits received, in lieu of interest, for transactions conducted in accordance with the principles of Shariah, will be treated as interest and be accorded the same treatment as if they were interest in accordance with Section 2(7) of the MITA. The income tax rate applicable to the Fund is 25%.

Taxable dividends received by the Fund will be taxable but a tax credit will be available for offset wholly or partially against the Fund's tax liability. The excess of tax credit over the tax liability of the Fund, if any, will be refundable to the Fund.

3.2 Exempt income / Non taxable income

(a) Profits from the realization of investments

Gains from sale of investments will not be treated as income of the Fund and hence, are not subject to income tax [Section 61(1) of the MITA].

(b) Dividend income

Dividends received by the Fund from other Malaysian entities which are tax exempted are not subject to income tax. This includes dividends distributed under the single tier tax system [Paragraph 12B, Schedule 6 of the MITA].

(c) Interest income

Interest income received by the Fund from the following are exempt from income tax:-

- (i) Securities or bonds issued or guaranteed by the Government [*Paragraph 35(a) to Schedule 6 of the MITA*];
- (ii) Debentures or Islamic securities, other than convertible stock, approved by the Securities Commission [*Paragraph 35(b) to Schedule 6 of the MITA*];
- (iii) Bon Simpanan Malaysia issued by Central Bank of Malaysia [*Paragraph 35(d) to Schedule 6 of the MITA*];
- (iv) Deposits with banks or financial institutions licensed under the Banking and Financial Institutions Act 1989 or the Islamic Banking Act 1983 [*Paragraph 35A to Schedule 6 of the MITA*];
- (v) Islamic securities originating from Malaysia, other than convertible loan stock, issued in any currency other than Ringgit and approved by the Securities Commission or the Labuan Financial Services Authority [*Paragraph 33B to Schedule 6 of the MITA*];
- (vi) Any savings certificates issued by the Government [*Paragraph 19 to Schedule 6 of the MITA*];
- (vii) Non-convertible loan stock issued by companies listed on the Access, Certainty, Efficiency (ACE) Market [*Income Tax (Exemption) (No.13) Order 2001*];
- (viii) Bonds and securities issued by Pengurusan Danaharta Nasional Berhad [*Income Tax (Exemption) (No. 5) Order 2001*];
- (ix) Sukuk Ijarah, other than convertible loan stock, issued in any currency by 1Malaysia Sukuk Global Berhad [*Income Tax (Exemption) Order 2010*];
and
- (x) Sukuk Wakala based on the concept of Al-Wakala Bil Istismar, other than convertible loan stock, issued in any currency by Wakala Global Sukuk Berhad [*Income Tax (Exemption) (No. 4) Order 2011*].

(d) Discount income or profit derived

The following discount income and profit received by the Fund are exempt from income tax:-

- (i) Discount income received on the securities and debentures mentioned in items 3.2(c)(i) to (iii) above [*Paragraph 35(a) to Paragraph 35(d) to Schedule 6 of the MITA*]; and
- (ii) Discount or profit received from the sale of bonds or securities issued at a discount and without interest payable by Pengurusan Danaharta Nasional Berhad or Danaharta Urus Sendirian Berhad [*Income Tax (Exemption) (No. 6) Order 2003*].

(e) Foreign sourced income

Dividends, profits and other income from investments derived from sources outside Malaysia and received in Malaysia by the Fund are exempt from Malaysian income tax [*Paragraph 28 to Schedule 6 of the MITA*]. However, such income may be subject to tax in the country from which the income is derived.

3.3 Deductibility of expenses

Section 33(1) of the MITA allows expenses incurred “wholly and exclusively in the production of gross income” to be deductible against the gross income, e.g. interest incurred on a loan to finance investments can be deducted against the dividend or interest income from that investment.

In addition, Section 63B allows partial deduction for other non-direct expenses known as “permitted expenses”. “Permitted expenses” comprise the manager’s remuneration, charges for maintenance of register of unit holders, share registration expenses, secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postage. The amount deductible is calculated based on the formula below:

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

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

Provided that the amount of deduction to be made shall not be less than 10% of the total permitted expenses incurred for that basis period. With effect from YA 2011, dividend income is deemed to include income distributed by a unit trust for the purpose of calculating the above deduction.

Should the deduction exceeds the income assessable to tax, the excess is not allowed to be carried forward for offset against the income of future years of assessment.

3.4 Real Property Gains Tax (“RPGT”)

Capital gains from disposals of chargeable assets, such as real properties or shares in real property companies will be subject to real property gains tax (“RPGT”).

However, with effect from 1 January 2013, capital gains arising from the disposal of real properties or shares in real property companies would be subject to RPGT as follows:

- (a) Gains arising from disposals made within 2 years from the date of acquisition of the chargeable assets are subject to RPGT at the rate of 15%;
- (b) Gains arising from disposals made between the 3rd to the 5th year from the date of acquisition of the chargeable assets are subject to RPGT at the rate of 10%; and
- (c) Gains arising from disposals made after 5 years from the date of acquisition of the chargeable assets would be exempted from RPGT.

[Real Property Gains Tax (Exemption) Order 2012 – PU(A) 415]

4. TAXATION OF UNIT HOLDERS

4.1. Distribution of taxable income

The general provisions under the MITA are applicable to income received by unit holders. In addition, the tax treatments for unit holders are explained in the IRBM's Public Ruling 5/2013 – Taxation of Unit Holders of Unit Trust Funds dated 23 May 2013. Unit holders will be taxed on their share of the total taxable income of the Fund distributed to them. This income distribution carries with it a tax credit for the tax paid by the Fund on its taxable income. This tax credit may be utilised by the unit holders to set off the tax payable by them pursuant to Section 110(9A) of the MITA. The tax authorities will refund any excess of tax credit over tax chargeable to the unit holders.

Distributions of income from the Fund received by individuals and other non-corporate unit holders who are residents in Malaysia for tax purposes will be taxed at graduated rates from 1% to 26%. Individuals and other non-corporate unit holders who are not resident in Malaysia, will be subject to tax at the non-resident rate applicable of 26% on the distributions of income received.

Corporate unit holders, whether resident or not resident in Malaysia, will be subject to tax at the corporate tax rate of 25% on the distributions of income from the Fund received by them. For small and medium scale companies with paid-up capital of RM2.5 million and below (SME), the corporate tax rate applicable is 20% on chargeable income of up to RM500,000 and 25% on the amount exceeding RM500,000. However, a company with a paid-up capital of not exceeding RM2.5 million will not qualify as a SME under the following circumstances:

- i. more than 50% of the paid-up capital in respect of ordinary shares of the company is directly or indirectly owned by a “related company”;
- ii. more than 50% of the paid-up capital in respect of the ordinary shares of the “related company” is directly or indirectly owned by the first mentioned company; or
- iii. more than 50% of the paid-up capital in respect of the ordinary shares of the first mentioned company and the “related company” is directly or indirectly owned by another company.

“Related company” is defined as a company with a paid-up capital exceeding RM2.5 million in respect of ordinary shares at the beginning of the basis period for a year of assessment.

4.2 Distribution of tax exempt income

Distributions of tax exempt income by the Fund from gains from realisation of investments, exempted interest/discount income, exempted dividends including single tier dividends and foreign sourced income, will be exempted from tax in the hands of the unit holders.

4.3 Unit splits and sale, transfer and redemption of units

Unit splits issued by the Fund are not taxable in the hands of the unit holders. Any gains realised by unit holders (other than dealers in securities, insurance companies or financial institutions) from the sale, transfer or redemption of the units are treated as capital gains and thus, will not be taxable.

However, the gains realized by a person trading or dealing in securities, insurance companies or financial institutions are generally regarded as business income and are subject to income tax.

We hereby confirm that, as at the date of this letter, the statements made correctly reflect our understanding of the tax position under the current Malaysian tax legislation and the related interpretation and practice thereof, all of which are subject to change, possibly on a retrospective basis. In addition, unit holders are advised to seek professional advice on their respective tax positions.

Yours faithfully
Crowe Horwath KL Tax Sdn Bhd



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