

# Prospectus

Dated 28 September 2018

## OPUS MONEY PLUS FUND

Constituted on 28 September 2018

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

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

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

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 8.

## **Responsibility Statement**

This Prospectus has been reviewed and approved by the directors of Opus Asset Management Sdn Bhd and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in this Prospectus false or misleading.

## **Statements of Disclaimer**

The Securities Commission Malaysia has authorised the Opus Money Plus Fund and a copy of this Prospectus has been registered with the Securities Commission Malaysia.

The authorisation of the Opus Money Plus Fund, and registration of this Prospectus, should not be taken to indicate that Securities Commission Malaysia recommends the Opus Money Plus Fund or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Prospectus.

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

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

## **Additional Statements**

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

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

This Prospectus is not intended to and will not be issued and distributed in any country or jurisdiction other than Malaysia ("Foreign Jurisdiction"). Consequently, no representation has been and will be made as to its compliance with the laws of any Foreign Jurisdiction. Accordingly, no offer or invitation to subscribe or purchase Units of the Fund to which this Prospectus relates may be made in any Foreign Jurisdiction or under any circumstances where such action is unauthorised.

## TABLE OF CONTENTS

<b>1.</b>	<b>GLOSSARY .....</b>	<b>1</b>
<b>2.</b>	<b>CORPORATE DIRECTORY .....</b>	<b>4</b>
<b>3.</b>	<b>THE FUND .....</b>	<b>5</b>
3.1	FUND INFORMATION.....	5
3.2	INVESTMENT OBJECTIVE .....	5
3.3	INVESTMENT POLICY AND STRATEGY.....	5
3.4	ASSET ALLOCATION.....	6
3.5	DISTRIBUTION POLICY.....	6
3.6	PERFORMANCE BENCHMARK .....	6
3.7	PERMITTED INVESTMENTS.....	6
3.8	INVESTMENT RESTRICTIONS AND LIMITS.....	7
3.9	POLICY ON GEARING FOR THE FUND .....	7
<b>4.</b>	<b>RISK FACTORS .....</b>	<b>8</b>
4.1	GENERAL RISKS OF INVESTING IN THE FUND.....	8
4.2	SPECIFIC RISKS OF INVESTING IN THE FUND .....	8
4.3	RISK MANAGEMENT STRATEGIES .....	9
<b>5.</b>	<b>FEES, CHARGES AND EXPENSES .....</b>	<b>10</b>
5.1	SALES CHARGE .....	10
5.2	REPURCHASE CHARGE.....	10
5.3	TRANSFER FEE.....	10
5.4	SWITCHING FEE .....	10
5.5	OTHER CHARGES .....	10
5.6	ANNUAL MANAGEMENT FEE.....	10
5.7	ANNUAL TRUSTEE FEE.....	11
5.8	OTHER EXPENSES .....	11
5.9	POLICY ON REBATES AND SOFT COMMISSIONS .....	12
5.10	TAX .....	12
<b>6.</b>	<b>TRANSACTION INFORMATION .....</b>	<b>13</b>
6.1	PRICING OF UNITS .....	13
6.1.1	<i>Valuation of the Assets of the Fund.....</i>	<i>13</i>
6.1.2	<i>Valuation of the Fund.....</i>	<i>13</i>
6.1.3	<i>Single Pricing Policy.....</i>	<i>14</i>
6.1.4	<i>Policy on Rounding Adjustment.....</i>	<i>14</i>
6.1.5	<i>Incorrect Pricing .....</i>	<i>14</i>
6.2	COMPUTATION OF NAV AND NAV PER UNIT .....	14
6.2.1	<i>Illustration on how Units are allocated .....</i>	<i>15</i>
6.2.2	<i>Illustration on how repurchase proceeds are calculated.....</i>	<i>16</i>
6.3	MINIMUM INITIAL INVESTMENT, MINIMUM ADDITIONAL INVESTMENT, MINIMUM UNITS FOR REPURCHASE AND MINIMUM HOLDINGS TO MAINTAIN AN ACCOUNT ...	16
6.4	SUBSCRIPTION OF UNITS .....	16
6.5	REPURCHASE OF UNITS .....	18
6.6	COOLING-OFF .....	18
6.7	SWITCHING OF UNITS.....	19
6.8	TRANSFER OF UNITS.....	19
6.9	MODE OF DISTRIBUTION .....	19
6.10	UNCLAIMED MONEYS POLICY .....	20
<b>7.</b>	<b>THE MANAGER .....</b>	<b>21</b>

7.1	BACKGROUND INFORMATION .....	21
7.2	ROLE OF THE MANAGER .....	21
7.3	BOARD OF DIRECTORS .....	21
7.4	MATERIAL LITIGATION AND ARBITRATION .....	21
7.5	INVESTMENT COMMITTEE MEMBERS FOR THE FUND .....	21
7.6	THE DESIGNATED FUND MANAGERS .....	22
8.	<b>THE TRUSTEE .....</b>	<b>23</b>
8.1	BACKGROUND OF THE TRUSTEE .....	23
8.2	EXPERIENCE IN TRUSTEE BUSINESS .....	23
8.3	TRUSTEE'S ROLES, DUTIES AND RESPONSIBILITIES .....	23
8.4	TRUSTEE'S DISCLOSURE OF MATERIAL LITIGATION AND ARBITRATION .....	23
8.5	TRUSTEE'S DELEGATE .....	23
9.	<b>SALIENT TERMS OF THE DEED .....</b>	<b>25</b>
9.1	YOUR RIGHTS AND LIABILITIES AS A UNIT HOLDER .....	25
9.2	MAXIMUM FEES AND CHARGES PERMITTED BY THE DEED .....	25
9.3	PROCEDURES TO INCREASE THE DIRECT AND INDIRECT FEES AND CHARGES FROM THE LEVEL DISCLOSED IN THE PROSPECTUS .....	26
9.4	PERMITTED EXPENSES PAYABLE OUT OF THE FUND .....	26
9.5	RETIREMENT, REMOVAL AND REPLACEMENT OF THE MANAGER .....	27
9.6	RETIREMENT, REMOVAL AND REPLACEMENT OF THE TRUSTEE .....	28
9.7	TERMINATION OF THE FUND .....	28
9.8	PROVISIONS RELATING TO MEETINGS OF UNIT HOLDERS .....	28
10.	<b>RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS .....</b>	<b>30</b>
11.	<b>ADDITIONAL INFORMATION .....</b>	<b>32</b>
11.1	HOW TO KEEP ABREAST OF DEVELOPMENT IN THE FUND .....	32
11.2	AVENUE FOR ADVICE .....	32
12.	<b>DOCUMENTS AVAILABLE FOR INSPECTION .....</b>	<b>33</b>
13.	<b>TAX ADVISERS' LETTER .....</b>	<b>34</b>
14.	<b>LIST OF AUTHORISED DISTRIBUTORS .....</b>	<b>40</b>

## 1. GLOSSARY

<b>“Act” or “CMSA”</b>	: means the Capital Markets and Services Act 2007 as may be amended from time to time.
<b>“BNM”</b>	: means Bank Negara Malaysia.
<b>“Base Currency”</b>	: means the base currency of the Fund which is RM.
<b>“Bursa Malaysia”</b>	: means the stock exchange managed and operated by Bursa Malaysia Securities Berhad including such other name as it may be amended from time to time.
<b>“Business Day”</b>	: means a day (excluding Saturdays, Sundays and public holidays in Malaysia) on which banks in Kuala Lumpur are open for business and a day on which Bursa Malaysia is open for trading.
<b>“Cooling-off Period”</b>	: means a period of 6 Business Days from the date the application for purchase of Units from a Unit Holder, who is qualified for Cooling-off Right, is received by us.
<b>“Cooling-off Right”</b>	: means the right of a Unit Holder to obtain a refund of his investment in the Fund, if the request is made within the Cooling-off Period. This right is only given to an individual Unit Holder (other than our staff and a person registered with a body approved by the SC to deal in unit trusts) who is investing in any fund managed by us for the first time.
<b>“Deed”</b>	: means the deed dated 13 July 2018 and any other supplemental deed that may be entered into between the Trustee and us in respect of the Fund and registered with the SC from time to time.
<b>“financial institution”</b>	: (a) if the institution is in Malaysia: (i) licensed bank; (ii) licensed investment bank; or (iii) licensed Islamic bank;  (b) if the institution is outside Malaysia, any institution that is licensed / registered / approved / authorised by the relevant banking regulator to provide financial services.
<b>“forward pricing”</b>	: means the Selling Price and the Repurchase Price is the NAV per Unit calculated at the next valuation point after an application for purchase or a repurchase request, as the case may be, is received by us.
<b>“Fund” or “Opus MPF”</b>	: means the Opus Money Plus Fund.
<b>“Guidelines”</b>	: means the <i>Guidelines on Unit Trust Funds</i> issued by the SC as may be revised, updated or amended from time to time.
<b>“GST”</b>	: means goods and services tax and includes any goods and services tax that is charged or levied in accordance with the Goods and Services Tax Act 2014 and/or any other indirect or similar tax which may be imposed by the government or other authorities from time to time.
<b>“Initial Offer Period”</b>	: means the period described as such in this Prospectus; during this period, Units are created, cancelled, sold and repurchased at a fixed price per Unit.

<b>“Initial Offer Price”</b>	: means the fixed price at which Units are created, cancelled, sold and repurchased during the Initial Offer Period.
<b>“Launch Date”</b>	: means the date of the first prospectus of the Fund and is the date on which sale of Units of the Fund may first be made; the Launch Date is also the date of constitution of the Fund.
<b>“licensed bank”</b>	: has the same meaning as prescribed under the Financial Services Act 2013.
<b>“licensed investment bank”</b>	: has the same meaning as prescribed under the Financial Services Act 2013.
<b>“licensed Islamic bank”</b>	: has the same meaning as prescribed under the Islamic Financial Services Act 2013.
<b>“Manager” or “us” or “we” or “our” or “OpusAM”</b>	: refers to Opus Asset Management Sdn Bhd.
<b>“MARC”</b>	: means Malaysian Rating Corporation Berhad.
<b>“Net Asset Value” or “NAV”</b>	: means the value of all the assets of the Fund less the value of all the liabilities of that Fund at a valuation point.
<b>“NAV per Unit”</b>	: means the NAV of the Fund at a particular valuation point divided by the number of Units in circulation at the same valuation point.
<b>“Prospectus”</b>	: means this document which is registered with the SC in relation to the Fund.
<b>“Repurchase Charge”</b>	: means a fee payable pursuant to a repurchase request.
<b>“Repurchase Price”</b>	: means the price at which Units will be redeemed by a Unit Holder pursuant to a repurchase request.  <i>The Repurchase Price is equivalent to the Initial Offer Price during the Initial Offer Period, and the NAV per Unit after the Initial Offer Period. As such, any Repurchase Charge, if applicable, is excluded from the calculation of the Repurchase Price.</i>
<b>“RAM”</b>	: means RAM Rating Services Berhad.
<b>“RM”</b>	: means Ringgit Malaysia, the official currency of Malaysia.
<b>“Sales Charge”</b>	: means a fee payable pursuant to an application for purchase of Units.
<b>“short to medium term”</b>	means a period of one (1) to three (3) years.
<b>“SC”</b>	: means the Securities Commission Malaysia established under the Securities Commission Malaysia Act 1993.
<b>“Selling Price”</b>	: means the price at which Units will be sold to a Unit Holder pursuant to an application for purchase of Units.  <i>The Selling Price is equivalent to the Initial Offer Price during the Initial Offer Period, and the NAV per Unit after the Initial Offer Period. As such, any Sales Charge, if applicable, is excluded from the calculation of the Selling Price.</i>

- “Special Resolution”** : means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority of not less than three-fourths of the Unit Holders present and voting at the meeting in person or by proxy; for the avoidance of doubt, “three-fourths of the Unit Holders present and voting in person or by proxy” means three-fourths of the votes cast by the Unit Holders present and voting; for the purposes of winding-up the Fund, **“Special Resolution”** means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority in number holding not less than three-fourths of the value of the votes cast by the Unit Holders present and voting at the meeting in person or by proxy.
- “Trustee”** : refers to SCBMB Trustee Berhad, the trustee for the Fund.
- “Unit(s)”** : means a measurement of the right or interest of a Unit Holder in the Fund.
- “Unit Holder” or “you”** : means a registered holder of a Unit or Units of the Fund including any jointholder whose name appears in our register of Unit Holders.

## 2. CORPORATE DIRECTORY

### THE MANAGER

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

### THE TRUSTEE

NAME : SCBMB Trustee Berhad  
COMPANY NO. : 1005793-T  
REGISTERED OFFICE : Level 16, Menara Standard Chartered  
30, Jalan Sultan Ismail  
50250 Kuala Lumpur  
BUSINESS OFFICE : Level 13A, Menara Standard Chartered  
30, Jalan Sultan Ismail  
50250 Kuala Lumpur  
TELEPHONE NO. : 603-2117 7777  
FAX NO. : 603-2711 6060



### 3. THE FUND

#### 3.1 FUND INFORMATION

<b>Name of the Fund</b>	Opus Money Plus Fund
<b>Base Currency</b>	RM
<b>Fund Category</b>	Money Market
<b>Fund Type</b>	Income
<b>Initial Offer Price</b>	RM1.00
<b>Initial Offer Period</b>	21 days from the date of this Prospectus (inclusive).  The Initial Offer Period may be shortened if we determine that it is in your best interest.
<b>Financial Year End</b>	30 June  The first financial year of the Fund shall commence on the Launch Date and end on a date which shall not exceed 18 months from the Launch Date.
<b>Deed</b>	13 July 2018

**INVESTMENT IN THE FUND IS NOT THE SAME AS PLACEMENT IN A DEPOSIT WITH A FINANCIAL INSTITUTION. THERE ARE RISKS INVOLVED AND INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS WHEN INVESTING IN THE FUND.**

#### 3.2 INVESTMENT OBJECTIVE

The Fund seeks to achieve higher returns than 1-month fixed deposit rate and to provide liquidity while preserving capital\*.

*Note:*

*\* Opus MPF is neither a capital guaranteed fund nor a capital protected fund.*

*Any material change to the investment objective of the Fund will require Unit Holders' approval.*

#### 3.3 INVESTMENT POLICY AND STRATEGY

The Fund seeks to achieve its objective by investing in liquid fixed income securities, money market instruments and deposits with an average duration of less than 1 year to maturity.

The Fund will invest in Malaysian fixed income securities and money market instruments which are issued by corporations and/or financial institutions, and/or issued or guaranteed by the Malaysian government, BNM, government-related entities and/or quasi-government related entities.

In selecting the instruments for the portfolio of the Fund, we will actively manage the portfolio to provide liquidity to meet the short to medium term cash flow requirement.

Except for instruments issued or guaranteed by the Malaysian government, BNM, government-related entities and/or quasi-government related entities, we will only invest in instruments or issuers which have a minimum credit rating of at least A3 or P1 by RAM (or equivalent rating by MARC or by any other reputable credit rating agency) at the point of purchase. In the event of a credit downgrade, we reserve the right to deal with the instrument in the best interest of Unit Holders. For example, we can continue to hold the downgraded instrument if the immediate disposal of such instrument would not be in the best interest of Unit Holders.

### **3.4 ASSET ALLOCATION**

- A minimum 90% of its NAV in fixed income securities, money market instruments and deposits which have a remaining maturity period of up to 365 days; and
- Up to 10% of its NAV in fixed income securities, money market instruments and deposits which have a remaining maturity period of more than 365 days but less than 732 days.

### **3.5 DISTRIBUTION POLICY**

The Fund intends to distribute income, if any, at least once a month.

Please refer to Section 6.9 for information regarding the mode of distribution.

### **3.6 PERFORMANCE BENCHMARK**

Maybank 1-month fixed deposit rate.

Source: Malayan Banking Berhad.

*Note: Please note that the risk profile of the Fund may be higher than the risk profile of the benchmark.*

### **3.7 PERMITTED INVESTMENTS**

- Fixed income securities which are issued or guaranteed by Malaysian government, BNM, government related entities and/or quasi-government related entities;
- Fixed income securities which are issued by financial institutions such as banker's acceptances, negotiable certificates of deposits and subordinated debts;
- Corporate bonds;
- Money market instruments;
- Deposits placed with financial institutions; and
- Any other form of investments as may be permitted by the SC and as may be agreed between the Manager and the Trustee from time to time.

### 3.8 INVESTMENT RESTRICTIONS AND LIMITS

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

#### Exposure Limits

1. The value of the Fund's investments in the permitted investments set out in Section 3.7 ("**Permitted Investments**") must not be less than 90% of the Fund's NAV.
2. The value of the Fund's investments in the Permitted Investments which have a remaining maturity period of not more than 365 days must not be less than 90% of the Fund's NAV.
3. The value of the Fund's investments in the Permitted Investments which have a remaining maturity period of more than 365 days but fewer than 732 days must not exceed 10% of the Fund's NAV.

#### Investment Spread Limits

4. The value of the Fund's investments in fixed income securities and money market instruments issued by any single issuer must not exceed 20% of the Fund's NAV.
5. This single issuer limit in paragraph 4 may be increased to 30% if the fixed income securities are rated by any domestic or global rating agency to be of the best quality and offer highest safety for timely payment of interest and principal.
6. The value of the Fund's placement in deposits with any single financial institution must not exceed 20% of the Fund's NAV.
7. The value of the Fund's investments in fixed income securities and money market instruments issued by any group of companies must not exceed 30% of the Fund's NAV.

#### Investment Concentration Limits

8. The Fund's investments in fixed income securities must not exceed 20% of the securities issued by any single issuer.
9. The Fund's investments in money market instruments must not exceed 20% of the instruments issued by any single issuer.

The above limits and restrictions shall be complied with at all times based on the most up-to-date value of the Fund's investments. However, a 5% allowance in excess of any limit or restriction is permitted where the limit or restriction is breached through the appreciation or depreciation of the NAV of the Fund, whether as a result of an appreciation or depreciation in value of the Fund's NAV, or as a result of repurchase of Units or payment made out of the Fund. We will not make any further acquisition when the relevant limit or restriction is breached and we will, within a reasonable period of not more than 3 months from the date of the breach, take all necessary steps and actions to rectify the breach.

All the restrictions and limits stated above do not apply to instruments issued or guaranteed by the Malaysian government or BNM.

### 3.9 POLICY ON GEARING FOR THE FUND

The Fund will not borrow cash or other assets (including the borrowing of securities within the meaning of the Securities Borrowing and Lending Guidelines) in connection with its activities.

## **4. RISK FACTORS**

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

#### **Market risk**

Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets due to economic, political and/or other factors which will result in a decline in the Fund's NAV.

#### **Fund management risk**

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

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

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

#### **Inflation risk**

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

#### **Operational risk**

This risk refers to the possibility of a breakdown in our internal controls and policies. The breakdown may be a result of human error (for instance the keying of wrong details), system failure (causing unnecessary downtime) or even fraud (where our employees collude with one another). Whilst this risk may not necessarily cause monetary loss to the Fund, it will most certainly cause inconvenience to you. We will regularly review our internal policies and system capability to mitigate the occurrence of this risk.

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

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

#### **Loan Financing Risk**

This risk occurs when you take a loan/financing to finance your investment. The inherent risk of investing with borrowed money includes you being unable to service the loan repayments. In the event units are used as collateral, you may be required to top-up your existing instalment if the prices of units fall below a certain level due to market conditions. Failing which, the units may be sold at a lower net asset value per unit as compared to the net asset value per unit at the point of purchase towards settling the loan.

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

#### **Credit and default risk**

Credit risk relates to the creditworthiness of the issuers of the fixed income securities and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the fixed income security. In the case of rated fixed income security, this may lead to a credit downgrade.

Default risk relates to the risk that an issuer of a fixed income security either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the fixed income security. This could adversely affect the value of the Fund.

#### **Interest rate risk**

Interest rate risk refers to the impact of interest rate changes on the valuation of fixed income securities. When interest rates rise, fixed income securities prices generally decline and this may lower the market value of the Fund's investment in fixed income securities and affect the NAV of the Fund. The reverse may apply when interest rates fall.

#### **Counterparty risk**

Counterparty risk is the risk to each party of a contract that the counterparty will fail to perform its contractual obligations and/or to respect its commitments under the term of such contract, whether due to insolvency, bankruptcy or other cause. In this regards, the Fund may be exposed to risks arising from the solvency of its counterparties and from its inability to respect the conditions of the contracts.

#### **Liquidity risk**

Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. If the Fund holds assets that are illiquid, or are difficult to dispose of, the value of the Fund will be negatively affected when it has to sell such assets at unfavourable prices.

### **4.3 RISK MANAGEMENT STRATEGIES**

There are generally 3 main risks in fixed income investments of the Fund. OpusAM apply the following risk management strategies for the respective risks involved: -

Risk	OpusAM's strategies to mitigate investment risks
<b>Credit and Default Risk</b>	<ul style="list-style-type: none"> <li>▪ Mitigate by rigorous credit analysis and disciplined investment process.</li> <li>▪ Focus on A3 or P1 or higher issues and issuers.</li> <li>▪ Optimal portfolio diversification.</li> <li>▪ Review and assess on regular basis by analysts and fund managers.</li> <li>▪ Corporate actions are monitored regularly and discussed in the credit meeting.</li> </ul>
<b>Interest Rate Risk</b>	<ul style="list-style-type: none"> <li>▪ Diversify through different maturities.</li> <li>▪ Adjust maturity structure based on the interest rate outlook.</li> <li>▪ Shortening of maturity when interest rates are expected to rise.</li> </ul>
<b>Liquidity Risk</b>	<ul style="list-style-type: none"> <li>▪ Mitigate by concentrating on high quality issues.</li> <li>▪ Maturity mixed to meet liquidity requirements.</li> <li>▪ Measure and monitor daily by fund management and operations department.</li> <li>▪ Table quarterly to the investment committee.</li> </ul>

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

**INVESTORS ARE RECOMMENDED TO READ THE WHOLE PROSPECTUS TO ASSESS THE RISKS OF THE FUND AND IF NECESSARY, THEY SHOULD CONSULT THEIR ADVISERS, E.G. THEIR BANKERS, LAWYERS, TAX ADVISERS OR INDEPENDENT INVESTMENT ADVISERS FOR A BETTER UNDERSTANDING OF THE RISKS.**

## **5. FEES, CHARGES AND EXPENSES**

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

### **5.1 SALES CHARGE**

We do not intend to charge any Sales Charge.

### **5.2 REPURCHASE CHARGE**

We do not intend to charge any Repurchase Charge.

### **5.3 TRANSFER FEE**

RM5.00\* for each transfer request.

We reserve the right to waive or reduce the transfer fee from time to time at its absolute discretion.

*\*the transfer fee does not include GST.*

### **5.4 SWITCHING FEE**

No charges for the first 4 switches in each calendar year. RM25.00\* will be imposed for all subsequent switches after the first 4 switches in each calendar year.

We reserve the right to waive or reduce the switching fee from time to time at its absolute discretion.

*\*the switching fee does not include GST.*

### **5.5 OTHER CHARGES**

Charges, for instance bank charges (including, but not limited to Financial Process Exchange ("FPX") and direct debit), telegraphic transfer charges and courier charges in connection with the execution of transactions on behalf of the investor shall be borne by the investor.

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

### **5.6 ANNUAL MANAGEMENT FEE**

Up to 0.35%\* per annum of the NAV of the Fund. The annual management fee is calculated and accrued on a daily basis and payable on a monthly basis.

*\* the annual management fee does not include GST.*

For details of computation of annual management fee, refer to Section 6.2.

## 5.7 ANNUAL TRUSTEE FEE

0.025%\* per annum of the NAV of the Fund, subject to a minimum of RM12,000\* per annum or any other lower amount as may be agreed between the Trustee and the Manager. The annual trustee fee is calculated and accrued on a daily basis and payable on a monthly basis.

*\* the annual trustee fee does not include GST.*

For details of computation of annual trustee fee, refer to Section 6.2.

## 5.8 OTHER EXPENSES

Only the expenses (or part thereof) which are directly related and necessary to the operation and administration of the Fund may be charged to the Fund. These would include (but are not limited to) the following:

- (a) commissions or fees paid to brokers or dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- (b) taxes and other duties charged on the Fund by the government and/or other authorities;
- (c) costs, fees and expenses properly incurred by the auditor;
- (d) costs, fees and expenses incurred for the valuation of any investment of the Fund by independent valuers for the benefit of the Fund;
- (e) costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Manager and/or the Trustee;
- (f) costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;
- (g) costs, commissions, fees and expenses of the sale, purchase, insurance and any other dealing of any asset of the Fund;
- (h) costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed investment of the Fund;
- (i) costs, fees and expenses incurred in engaging any adviser for the benefit of the Fund;
- (j) costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
- (k) costs, fees and expenses incurred in the termination of the Fund or the removal of the Trustee or the Manager and the appointment of a new trustee or management company;
- (l) costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the Fund, including proceedings against the Trustee or the Manager by the other for the benefit of the Fund (save to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed by the Fund);
- (m) remuneration and out of pocket expenses of the independent members of the investment committee of the Fund, unless the Manager decides otherwise;
- (n) costs, fees and expenses deemed by the Manager to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority;
- (o) costs and expenses incurred in relation to the distribution of income (if any);
- (p) (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund;
- (q) fees, charges, costs and expenses relating to the preparation, printing, posting, registration and lodgment of documents and reports which the Manager and/or the Trustee may be obliged to prepare, print, post, register and/or lodge in relation to the Fund by virtue of any relevant law; and
- (r) any tax such as GST and/or other indirect or similar tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred under sub-paragraphs (a) to (q) above.

## **5.9 POLICY ON REBATES AND SOFT COMMISSIONS**

We, our fund manager, the Trustee or the Trustee's delegate will not retain any rebate from, or otherwise share in any commission with, any broker or dealer in consideration for directing dealings in the Fund's assets. Any rebate or shared commission will be directed to the account of the Fund.

However, soft commissions may be retained by us if:

- (i) the goods and services are of demonstrable benefit to Unit Holders and in the form of research and advisory services that assist in the decision making process relating to the Fund's investments;
- (ii) any dealing by the broker or dealer is executed on terms which are the most favourable for the Fund; and
- (iii) our or the fund manager's practice in relation to soft commissions is adequately disclosed in this Prospectus and Fund's reports, including a description of the goods and services received by us or the fund manager.

## **5.10 TAX**

All fees and charges which are incurred by the Fund and payable to us, the Trustee and/or other service providers are subject to GST as may be imposed by the government or other authorities from time to time.

Where GST is applicable, the amount of GST payable on any related fee, charge and/or expense will be borne by the Unit Holder and/or the Fund, as the case may be, in addition to the applicable fees, charges and expenses stated in the Prospectus.

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



## 6. TRANSACTION INFORMATION

### 6.1 PRICING OF UNITS

#### 6.1.1 Valuation of the Assets of the Fund

<b>Listed fixed income securities</b>	<p>Market price at the close of the exchange.</p> <p>However, if:</p> <p>(a) a valuation based on the market price does not represent the fair value of the fixed income securities, for example during abnormal market conditions; or</p> <p>(b) no market price is available, including in the event of a suspension in the quotation of the fixed income securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee,</p> <p>then the fixed income securities should be valued at fair value, as determined in good faith by us based on the methods or bases approved by the Trustee after appropriate technical consultation.</p>
<b>Unlisted fixed income securities denominated in Ringgit Malaysia</b>	<p>Price quoted by a bond pricing agency ("BPA") registered by the SC.</p> <p>Where we are of the view that the price quoted by BPA for a specific bond differs from the "market price" by more than 20 basis points, we may use the "market price", provided that we:</p> <p>(a) record our basis for using a non-BPA price;</p> <p>(b) obtain necessary internal approvals to use the non-BPA price; and</p> <p>(c) keep an audit trail of all decisions and basis for adopting the "market yield".</p>
<b>Other unlisted fixed income securities</b>	Fair value by reference to the average indicative yield quoted by 3 independent and reputable institutions.
<b>Money market instruments</b>	Commercial papers will be valued based on price quoted by BPA registered by the SC.
<b>Deposits</b>	Deposits will be valued each day by reference to the principal value and the accrued income thereon for the relevant period.
<b>Any other investment</b>	Fair value as determined in good faith by us on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

#### 6.1.2 Valuation of the Fund

We will value the Fund at 6.00 p.m. on every Business Day.

### 6.1.3 Single Pricing Policy

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

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

### 6.1.4 Policy on Rounding Adjustment

In calculating your investments with us, the Units allocated to you will be calculated based on the NAV per Unit of the Fund which is also the Selling Price and Repurchase Price of the Fund that has been rounded to 4 decimal places. When you invest in the Fund, the investment amount payable by you will be rounded to 2 decimal places. We will allocate Units in your account by rounding off to the nearest 4 decimal places.

### 6.1.5 Incorrect Pricing

We shall take immediate action to rectify any incorrect valuation and pricing of the Fund and/or the Units and to notify the Trustee and the relevant authorities of the same unless the Trustee considers the incorrect valuation and pricing of the Fund and/or the Units is of minimal significance. An incorrect valuation and pricing of the Fund and/or the Units shall result in a reimbursement of moneys unless the Trustee considers that such incorrect valuation and pricing of the Fund and/or the Units is of minimal significance.

The Trustee shall not consider an incorrect valuation and pricing of the Fund and/or the Units to be of minimal significance if the error involves a discrepancy of 0.5% or more of the NAV per Unit unless the total impact on your account is less than RM10.00. An incorrect valuation and pricing not considered to be of minimal significance by the Trustee shall result in reimbursement of moneys in the following manner:

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

## 6.2 COMPUTATION OF NAV AND NAV PER UNIT

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

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

	RM
Securities Investment	240,772,498
Add : Assets (including cash)	18,668,352
	<hr/>
	259,440,850
Less : Liabilities	2,858,986
	<hr/>

	NAV before deducting management fee and trustee fee for the day	256,581,864
Less :	Trustee fee for the day (up to 0.025% per annum calculated based on the NAV subject to a minimum of RM12,000 per annum) <u><math>256,581,864 \times 0.025\%</math></u> 365	176
	GST on trustee fee (176 x 0%)	0
	Management fee for the day (up to 0.35% per annum calculated based on the NAV) <u><math>256,581,864 \times 0.35\%</math></u> 365	2,460
	GST on management fee (2,460 x 0%)	0
	NAV of the Fund	<u>256,579,228</u>

#### NAV per Unit

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

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

Say for example the number of Units in circulation for the Fund is 200,000,000 Units and the NAV of the Fund is RM256,579,228 at the point of valuation, the NAV per Unit will be:

NAV of the Fund	:	<u>RM256,579,228</u>
Number of Units in Circulation	:	<u>200,000,000 Units</u>
NAV per Unit	:	<u>RM1.2829</u>

#### 6.2.1 Illustration on how Units are allocated

Assuming a Unit Holder invests RM10,000 in the Fund, the NAV per Unit of the Fund is RM1.00, no Sales Charge is imposed and GST is 0.00% of the Sales Charge.

Sales Charges = 0.00% x (amount to be invested)  
= 0.00% x RM10,000  
= RM0

GST on Sales Charges = 0% x Sales Charges  
= 0% x RM0  
= RM0

#### Total amount the Unit Holder will have to pay:

Amount to be invested + Sales Charge + GST on Sales Charge = RM10,000 + RM0 + RM0  
= RM10,000

#### Number of Units allocated to the Unit Holder

Amount to be invested / NAV per Unit = RM10,000 / RM1.0000 (rounded up to 4

decimal places)  
= 10,000 Units

## 6.2.2 Illustration on how repurchase proceeds are calculated

Assuming a Unit Holder redeems 10,000 Units, the Repurchase Price is RM1.00, no Repurchase Charge is imposed and GST is 0.00% of the Repurchase Charge.

Repurchase Charge = 0.00% x (amount to be redeemed)  
= 0.00% x RM10,000  
= RM0

GST on Repurchase Charge = 0% x Repurchase Charge  
= 0% x RM0  
= RM0

Total amount the Unit Holder (repurchase proceeds) will receive:

Amount to be redeemed – Repurchase Charge = RM10,000 – RM0 – RM0  
– GST on Repurchase Charge  
= RM10,000

## 6.3 MINIMUM INITIAL INVESTMENT, MINIMUM ADDITIONAL INVESTMENT, MINIMUM UNITS FOR REPURCHASE AND MINIMUM HOLDINGS TO MAINTAIN AN ACCOUNT

Minimum Initial Investment <sup>^</sup>	RM 1,000
Minimum Additional Investment <sup>^</sup>	RM 100
Minimum Units for Repurchase <sup>^</sup>	100 Units  <i>Note: If a repurchase request results in you holding less than the applicable minimum holdings requirements of the Fund, you will be required to redeem all the remaining Units held by you in the Fund.</i>
Minimum Holdings to Maintain an Account <sup>^</sup>	1,000 Units

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

## 6.4 SUBSCRIPTION OF UNITS

You may subscribe for Units of the Fund by submitting to us an application form on any Business Day.

For new investor, in addition to the application form, you must also provide us with the following duly completed forms and documents:

Individual Investor		Non-individual Investor
Face-to-face Verification	Non face-to-face verification	
<ul style="list-style-type: none"> <li>Suitability assessment form;</li> <li>Original sighted copy of the NRIC; and</li> <li>Self Certification Form -</li> </ul>	<ul style="list-style-type: none"> <li>Suitability assessment form;</li> <li>Original sighted copy of the NRIC;</li> <li>Self Certification Form -</li> </ul>	<ul style="list-style-type: none"> <li>Suitability assessment form;</li> <li>Self Certification Form - Foreign Account Tax Compliance Act</li> </ul>

Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS).	<p>Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS); and</p> <ul style="list-style-type: none"> <li>Any one of the following documents: <ul style="list-style-type: none"> <li>(a) bank statement;</li> <li>(b) utility bill; or</li> <li>(c) driving licence.</li> </ul> </li> <li>Note: Upon our receipt of the documents, we will follow up with a telephone call or any other form of communication for verification purposes and thereafter, your account will be activated.</li> </ul>	<p>(FATCA) and Common Reporting Standard (CRS);</p> <ul style="list-style-type: none"> <li>Certified true copy of form 8, 9, 13, 20 and 44 (where applicable)*;</li> <li>Certified true copy of form 24 and form 49*;</li> <li>Certified true copy of the latest form of annual return*;</li> <li>Board of Director's resolution relating to the investment;</li> <li>Certified true copy of memorandum and articles of association*;</li> <li>A list of the authorised signatories &amp; specimen signatures of the respective signatories; and</li> <li>Original sighted copy of the NRIC / Passport (for foreigners) of all authorised signatories.</li> </ul> <p><i>* or any other equivalent documentation issued by the authorities.</i></p>
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We reserve the right to request additional documents before we process your subscription application.

Any completed application for subscription together with the above document (if applicable) and cleared funds received by us on or before 4.00 p.m. on a Business Day will be processed on the Business Day and Units will be created based on the NAV per Unit of the Fund calculated at the end of the same Business Day.

Any completed application received after 4.00 p.m. will be treated as having been received by us on the following Business Day.

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

#### **Distribution Channels**

Please refer to Section 14 of the Prospectus for details on where you can subscribe for Units of the Fund.

#### **Payment Methods**

Payment for subscription of Units may be made in the following manner:

- (a) by telegraphic transfer or online transfer into our bank account. You must include your name in the transaction description for our reference; or

- (b) by cheque. You must write your name, identity card number or business registration number at the back of the cheque; or
- (c) by any other mode of payment, including, but not limited to online payment gateways, that we and/or the relevant authorities may approve from time to time. Any charges, fees and expenses incurred in facilitating such mode of payment shall be borne by you. Such mode of payment is subject to further limit(s), restriction(s) and/or terms and conditions that we and/or the relevant authorities may impose from time to time.

**INVESTORS MUST NOT MAKE PAYMENT IN CASH IN RESPECT OF THEIR INVESTMENTS TO ANY INDIVIDUAL AGENT WHEN PURCHASING UNITS OF THE FUND.**

## **6.5 REPURCHASE OF UNITS**

You may redeem Units of the Fund by submitting to us a completed repurchase form on any Business Day.

Any completed repurchase form received by us on or before 4.00 p.m. on a Business Day will be processed on the same Business Day ("Repurchase Processing Date") and Units will be repurchased based on the NAV per Unit of the Fund calculated at the end of Business Day of the Repurchase Processing Date.

Any completed repurchase form received after 4.00 p.m. will be treated as having been received by us on the following Business Day.

The repurchase proceeds will be paid to you within 10 days from the Repurchase Processing Date.

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

## **6.6 COOLING-OFF**

A Cooling-off Right is only given to an individual investor who is investing in any of the unit trust funds managed by us for the first time except for the following investor:

- our staff; and
- any person registered with a body approved by the SC to deal in unit trusts funds.

If you are eligible for the Cooling-off Right, you may exercise the Cooling-off Right within 6 Business Days from our receipt of your application for Units.

We must receive your notification to exercise the Cooling-off Right on or before 4.00 p.m. on a Business Day. Any notification received after 4.00 p.m. will be treated as having been received by us on the following Business Day.

If you exercise the Cooling-off Right, a refund for every Unit held would be the sum of:

- (a) the NAV per Unit on the day the Units were purchased; and
- (b) the Sales Charge (if any) imposed on the day the Units were purchased.

We will refund the sum to you within 10 days of our receipt of your notification to exercise the Cooling-off Right. If you pay for your subscription of Units by cheque, the Cooling-off Period will accrue from the date on which we receive your cheque and the refund pursuant to the exercise of the Cooling-off Right will be made after the cheque has been cleared.

## **6.7 SWITCHING OF UNITS**

You are allowed to switch between the Fund and any of the funds managed by us subject to the terms and conditions applicable to the respective funds.

We must receive your completed application for switching out from the Fund on or before 4.00 p.m. on a Business Day. Any application received after 4.00 p.m. will be treated as having been received by us on the following Business Day.

When switching out from the Fund, you must switch out a minimum of 100 Units or such other amount as may be determined by us from time to time while maintaining the minimum holding requirements of the Fund after your switching application. At the same time, you must also meet the minimum initial investment or the minimum additional investment of the fund that you intend to switch into, depending on whether you have had any prior investment in that fund.

We reserve the right to reject any switching application without providing any reason.

You should be aware that the pricing day of the respective funds that you intend to switch from and switch into will be subject to the pricing condition of the respective funds.

## **6.8 TRANSFER OF UNITS**

You are allowed to transfer the ownership of the Units of the Fund subject to you maintaining the minimum holding requirements of the Fund after your transfer application.

We must receive your completed application to transfer on or before 4.00 p.m. on a Business Day. Any application received after 4.00 p.m. will be treated as having been received by us on the following Business Day.

The application to transfer must be made in terms of Units and not in RM value. You must transfer a minimum of 100 Units or such other amount as may be determined by us from time to time while maintaining the minimum holding requirements of the Fund after your transfer application.

We reserve the right to reject any application to transfer without providing any reason.

## **6.9 MODE OF DISTRIBUTION**

You may choose to receive the distribution in cash payment or additional Units (by way of reinvestment) by ticking the appropriate column in the application form. If you do not choose the mode of distribution in the application form, all distribution will be automatically reinvested into additional Units of the Fund.

Any distribution payable to you which is less than or equal to the amount of RM100.00 will be automatically reinvested into additional Units of the Fund.

If you choose to receive cash, the distribution proceeds (if any) will be credited into your bank account within 2 Business Days from the distribution declaration date. If you do not provide us with any bank account details or the distribution proceeds cannot be credited into your bank account for any reason whatsoever, the distribution proceeds will be reinvested into the Fund based on the NAV per Unit on the day immediately after the failure to effect the payment into your bank account provided always that you still have an account with us.

If you choose to receive additional Units by way of reinvestment, the additional Units will be reinvested based on the NAV per Unit at the distribution declaration date; the allotment of the additional Units will be made within 2 Business Days from the distribution declaration date.

There will not be any additional cost for reinvestments of those additional Units, i.e. no Sales Charge will be imposed.

**UNIT PRICES AND DISTRIBUTIONS PAYABLE, IF ANY, MAY GO DOWN AS WELL AS UP.**

**6.10 UNCLAIMED MONEYS POLICY**

Any moneys payable to you which remain unclaimed after 12 months from the date of payment will be paid to the Registrar of Unclaimed Monies in accordance with the requirements of the Unclaimed Moneys Act 1965.



## **7. THE MANAGER**

### **7.1 BACKGROUND INFORMATION**

Opus Asset Management Sdn Bhd is licensed by the SC under the CMSA to conduct fund management services and dealing in securities restricted to unit trust.

The company has been providing investment management services since 24 December 1996, incorporated under the name of Lotus Asset Management Sdn Bhd. The company started by managing equity investment portfolios, including a third party equity unit trust fund. The company name was later changed to Merican & Partners Asset Management Sdn Bhd on 8 February 2002. The present shareholders took over management of the company on 3 January 2005 and started a new business direction, which focuses solely on Fixed Income Investments. On 7 March 2005, Merican & Partners Asset Management Sdn Bhd was subsequently renamed to Opus Asset Management Sdn Bhd.

The principal officers are also major shareholders who ensure continuity of the disciplined investment process and consistency of performance. They have vast experience in managing regional and local investments in various asset classes including fixed income, equity, property and private equity. In Malaysia, OpusAM has a wide market network and strives to achieve a strong market presence in the fixed income market.

OpusAM's clients include insurance companies, state governments, statutory body, government-linked companies, corporations, foundations, cooperatives, private banking, universities, hospitals, private individuals and family trusts.

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

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

### **7.3 BOARD OF DIRECTORS**

Chan Choong Kong, Non-Independent Non-Executive Director / Chairman of the Board  
Dato' Mohamed Ross bin Mohd Din, Independent Non-Executive Director  
Dato' Maznah binti Abdul Jalil, Independent Non-Executive Director  
Dato' Azam bin Azman, Non-Independent Non-Executive Director  
Siaw Wei Tang, Non-Independent Executive Director

### **7.4 MATERIAL LITIGATION AND ARBITRATION**

As at 30 June 2018, we are not engaged in any material litigation and arbitration, including those pending or threatened, and is not aware of any facts likely to give rise to any proceedings which might materially affect our business or financial position and any of our delegates.

### **7.5 INVESTMENT COMMITTEE MEMBERS FOR THE FUND**

The investment committee's roles and responsibilities include the following:

- set investment policies, guidelines and compliance monitoring procedures;
- set overall investment parameters for investment team;

- empower the Chief Investment Officer, the credit committee and investment team their respective responsibility; and
- ensure internal policies and investment guidelines provided by clients are complied with.

The investment committee will meet once every quarter or such other times as may be decided by the chairman of the investment committee.

## 7.6 THE DESIGNATED FUND MANAGERS

### **Ng Lee Peng**

Head of Fixed Income

Ms. Ng joined OpusAM as the Head of Fixed Income in 2006. She is responsible for leading the fixed income team in OpusAM. 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 specialising in the area of credit. She was later posted to head the credit department of the Port Klang Branch, servicing mainly corporate clients around Port Klang. Her job function includes marketing, submission of credit reports for approval and also loan recovery. In 1997, she left to join Eon Bank (now known as Hong Leong Bank) and was attached to the Corporate & Commercial Banking at the Head Office. Besides marketing and credit proposals, she was responsible for the evaluation of credit reports submitted by various branches for recommendation to the Credit Committee. She joined the Investment Department of Hong Leong Assurance Bhd in 1999, to manage the fixed income portfolio which grew from less than RM500,000,000.00 to 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 Accountant under the Australian Society of CPAs ("ASCPA"). She holds a Capital Markets Services Representative's Licence.

### **Terry Tan Theam Swee**

Senior Fund Manager

Mr. Tan joined OpusAM as Senior Fund Manager in 2013. He has over 28 years of experience in the financial market. He started his career at Arab Malaysian Merchant Bank in 1989. He then joined Great Eastern Life Assurance Malaysia Berhad in 1997 as the Manager of Fixed Income and was subsequently promoted to Vice President where he headed the Fixed Income Investments Department, managing a fund size of about RM20 billion. In 2007, he joined Avenue Invest Berhad for 2 years as Director/Head of Fixed Income. Prior to joining OpusAM, Mr. Tan was attached to Kenanga Investment Bank Berhad as Head of Fixed Income and Senior Vice President, Portfolio Management from 2009 until 2013.

Mr. Tan is a member of the Persatuan Pasaran Kewangan Malaysia (PPKM) and a Certified Financial Planner (CFP). He holds an Advanced Diploma in Business and Management from the University of Wales, U.K. He is also a holder of a Capital Markets Services Representative's Licence.

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

## **8. THE TRUSTEE**

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

SCBMB Trustee Berhad ("**STB**"), a company incorporated in Malaysia under the Companies Act 1965 on 13 June 2012 and registered as a trust company under the Trust Companies Act 1949. Its business address is at Level 13A, Menara Standard Chartered, 30, Jalan Sultan Ismail, 50250 Kuala Lumpur.

### **8.2 EXPERIENCE IN TRUSTEE BUSINESS**

STB has been registered and approved by the SC on 18 February 2013 to act as trustee for unit trust schemes approved or authorised under the CMSA. STB has suitably qualified and experienced staff in the administration of unit trust funds who have sound knowledge of all relevant laws. As at 30 June 2018, STB is the appointed trustee for 11 wholesale funds, 10 unit trust funds and appointed custodian for 8 private mandate funds.

STB's trustee services are supported by Standard Chartered Bank Malaysia Berhad ("**SCBMB**"), a subsidiary of Standard Chartered PLC, financially and for other various functions including but not limited to compliance, legal, operational risks and internal audit.

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

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

The Trustee also assume an oversight function on the management company by ensuring that the management company performs its duties and obligations in accordance with the provisions of the Deed, the laws and all relevant guidelines.

### **8.4 TRUSTEE'S DISCLOSURE OF MATERIAL LITIGATION AND ARBITRATION**

As at 30 June 2018, 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 or financial position of the Trustee and any of its delegates.

### **8.5 TRUSTEE'S DELEGATE**

The Trustee has appointed SCBMB as custodian of the quoted and unquoted assets of the Fund. The custodian provides custody services to domestic, foreign, retail and institutional investors. The custodian's comprehensive custody and clearing services cover traditional settlement processing and safekeeping as well as corporate related services including cash and security reporting, income collection and corporate event processing. The assets are registered in the name of the Trustee to the order of the Fund and held through the custodian's wholly owned subsidiary and nominee company Cartaban Nominees (Tempatan) Sdn Bhd.

SCBMB was incorporated on 29 February 1984 in Malaysia under the Companies Act 1965 as a public limited company and is a subsidiary of Standard Chartered PLC (the holding company of a global banking group). SCBMB was granted a licence on 1 July 1994 under the Banking and Financial Institutions Act 1989 (now known as the Financial Services Act 2013).

SCBMB has been providing custody services for more than 20 years and has been providing sub-custody services to local investors in Malaysia since 1995.

The roles and duties of SCBMB as the Trustee's delegate inter alia are as follows:

1. To act as custodian for the local and selected cross-border investment of the Fund and to hold in safekeeping the assets of the Fund;
2. To provide corporate action information or entitlements arising from the underlying assets and to provide regular reporting on the activities of the invested portfolios;
3. To maintain proper records on the assets held to reflect the ownership of the assets belonging to the respective client; and
4. To collect and receive for the account of the clients all payments and distribution in respect of the assets held.

The custodian acts only in accordance with instructions from the Trustee.

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

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

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

#### **Unit Holders' Rights**

A Unit Holder has the right, amongst others:

- (a) to receive distribution of income, if any, of the Fund;
- (b) to participate in any increase in the value of the Units;
- (c) to call for Unit Holders' meetings and to vote for the removal of the Trustee or the Manager through Special Resolution;
- (d) to exercise cooling-off rights (if applicable);
- (e) to receive annual and interim reports of the Fund; and
- (f) to enjoy such other rights and privileges as are provided for in the Deed.

No Unit Holder shall be entitled to require the transfer to him of any of the 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 assets.

#### **Unit Holders' Liabilities**

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

### **9.2 MAXIMUM FEES AND CHARGES PERMITTED BY THE DEED**

<b>Maximum Sales Charge</b>	<b>Maximum Repurchase Charge</b>	<b>Maximum Management Fee</b>	<b>Maximum Trustee Fee</b>
5.00% of the NAV per Unit	5.00% of the NAV per Unit	3.00% per annum of the NAV of the Fund	0.20% per annum of the NAV of the Fund, subject to a minimum fee of RM12,000 per annum (excluding foreign custodian fees and charges).

Any increase of the fees and/or charges above the maximum stated in the Deed shall require Unit Holders' approval.

### **9.3 PROCEDURES TO INCREASE THE DIRECT AND INDIRECT FEES AND CHARGES FROM THE LEVEL DISCLOSED IN THE PROSPECTUS**

#### **Sales Charge**

The Manager may not charge a sales charge at a rate higher than that disclosed in the Prospectus unless:

- (a) the Manager has notified the Trustee in writing of and the effective date for the higher charge;
- (b) a supplemental prospectus or replacement prospectus in respect of the Fund setting out the higher charge is registered, lodged and issued; and
- (c) such time as may be prescribed by any relevant law has elapsed since the effective date of the supplemental prospectus or replacement prospectus.

#### **Repurchase Charge**

The Manager may not charge a repurchase charge at a rate higher than that disclosed in the Prospectus unless:

- (a) the Manager has notified the Trustee in writing of and the effective date for the higher charge;
- (b) a supplemental prospectus or replacement prospectus in respect of the Fund setting out the higher charge is registered, lodged and issued; and
- (c) such time as may be prescribed by any relevant law has elapsed since the effective date of the supplemental prospectus or replacement prospectus.

#### **Management Fee**

The Manager may not charge an annual management fee at a rate higher than that disclosed in the Prospectus unless:

- (a) the Manager has come to an agreement with the Trustee on the higher rate;
- (b) the Manager has notified the Unit Holders of the higher rate and the date on which such higher rate is to become effective; such time as may be prescribed by any relevant law shall have elapsed since the notice is sent;
- (c) a supplemental prospectus or replacement prospectus stating the higher rate is registered, lodged and issued thereafter; and
- (d) such time as may be prescribed by any relevant law shall have elapsed since the date of the supplemental prospectus or replacement prospectus.

#### **Trustee Fee**

The Trustee may not charge an annual trustee fee at a rate higher than that disclosed in the Prospectus unless:

- (a) the Manager has come to an agreement with the Trustee on the higher rate;
- (b) the Manager has notified the Unit Holders of the higher rate and the date on which such higher rate is to become effective; such time as may be prescribed by any relevant law shall have elapsed since the notice is sent;
- (c) a supplemental prospectus or replacement prospectus stating the higher rate is registered, lodged and issued thereafter; and
- (d) such time as may be prescribed by any relevant law shall have elapsed since the date of the supplemental prospectus or replacement prospectus.

### **9.4 PERMITTED EXPENSES PAYABLE OUT OF THE FUND**

Only the expenses (or part thereof) which are directly related and necessary to the operation and administration of the Fund may be charged to the Fund. These would include (but are not

limited to) the following:

- (a) commissions or fees paid to brokers or dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- (b) taxes and other duties charged on the Fund by the government and/or other authorities;
- (c) costs, fees and expenses properly incurred by the auditor;
- (d) costs, fees and expenses incurred for the valuation of any investment of the Fund by independent valuers for the benefit of the Fund;
- (e) costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Manager and/or the Trustee;
- (f) costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;
- (g) costs, commissions, fees and expenses of the sale, purchase, insurance and any other dealing of any asset of the Fund;
- (h) costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed investment of the Fund;
- (i) costs, fees and expenses incurred in engaging any adviser for the benefit of the Fund;
- (j) costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
- (k) costs, fees and expenses incurred in the termination of the Fund or the removal of the Trustee or the Manager and the appointment of a new trustee or management company;
- (l) costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the Fund, including proceedings against the Trustee or the Manager by the other for the benefit of the Fund (save to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed by the Fund);
- (m) remuneration and out of pocket expenses of the independent members of the investment committee of the Fund, unless the Manager decides otherwise;
- (n) costs, fees and expenses deemed by the Manager to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority;
- (o) costs and expenses incurred in relation to the distribution of income (if any);
- (p) (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund;
- (q) fees, charges, costs and expenses relating to the preparation, printing, posting, registration and lodgment of documents and reports which the Manager and/or the Trustee may be obliged to prepare, print, post, register and/or lodge in relation to the Fund by virtue of any relevant law; and
- (r) any tax such as GST and/or other indirect or similar tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred under sub-paragraphs (a) to (q) above.

## **9.5 RETIREMENT, REMOVAL AND REPLACEMENT OF THE MANAGER**

The Manager shall have the power to retire in favour of some other corporation and as necessary under any relevant law upon giving to the Trustee 3 months' notice in writing of its desire so to do, or such other period as the Manager and the Trustee may agree upon, and subject to fulfilment of the conditions as stated in the Deed.

The Manager may be removed and replaced, if so required by the Trustee, on the grounds that:

- (a) the Manager has failed or neglected to carry out its duties to the satisfaction of the Trustee and the Trustee considers that it would be in the interests of the Unit Holders for the Trustee to do so after the Trustee has given notice to the Manager of that opinion and the reasons for that opinion, and has considered any representations made by the Manager in respect of that opinion, and after consultation with the

- relevant authorities and with the approval of the Unit Holders by way of a Special Resolution;
- (b) unless expressly directed otherwise by the relevant authorities, if the Manager is in breach of any of its obligations or duties under the Deed or the relevant laws, or has ceased to be eligible to be a management company under the relevant laws; or
- (c) the Manager has gone into liquidation, except for the purpose of amalgamation or reconstruction or some similar purpose, or has had a receiver appointed or has ceased to carry on business.

In any of the events set out above occurs, the Manager shall upon receipt of a written notice from the Trustee cease to be the management company of the Fund by the mere fact of the Manager's receipt of the notice. The Trustee shall, at the same time, by writing appoint some other corporation already approved by the relevant authorities to be the management company of the Fund; such corporation shall have entered into such deed or deeds as the Trustee may consider to be necessary or desirable to secure the due performance of its duties as management company for the Fund.

## **9.6 RETIREMENT, REMOVAL AND REPLACEMENT OF THE TRUSTEE**

The Trustee may retire upon giving 3 months' notice to the Manager of its desire so to do, or such other period as the Manager and the Trustee shall agree and may by deed appoint in its stead a new trustee approved by the relevant authorities and under any relevant law.

The Trustee may be removed and such corporation may be appointed as trustee of the Fund by Special Resolution of the Unit Holders at a duly convened meeting.

The Manager shall take all reasonable steps to replace the Trustee as soon as practicable after becoming aware that:

- (a) the Trustee has ceased to exist;
- (b) the Trustee has not been validly appointed;
- (c) the Trustee is not eligible to be appointed or to act as trustee under any relevant law;
- (d) the Trustee has failed or refused to act as trustee in accordance with the provisions or covenants of the Deed or any relevant law;
- (e) a receiver has been appointed over the whole or a substantial part of the assets or undertaking of the Trustee and has not ceased to act under that appointment;
- (f) a petition has been presented for the winding up of the Trustee (other than for the purpose of and followed by a reconstruction, unless during or following such reconstruction the Trustee becomes or is declared to be insolvent); or
- (g) the Trustee is under investigation for conduct that contravenes the Trust Companies Act 1949, the Trustee Act 1949, the Companies Act 2016 or any relevant law.

## **9.7 TERMINATION OF THE FUND**

The Fund may be terminated or wound up should the following events occur:

- (a) the SC's authorisation is withdrawn; and
- (b) a Special Resolution is passed at a Unit Holders' meeting to terminate or wind up the Fund.

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

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

Every question arising at any Unit Holders' meeting shall be decided in the first instance by a show of hands unless a poll be demanded or, if it be a question which under the Deed



requires a Special Resolution a poll shall be taken. On a voting by show of hands every Unit Holder who is present in person or by proxy shall have one vote.

The quorum required for a meeting of the Unit Holders shall be 5 Unit Holders, whether present in person or by proxy, provided that, if the Fund has 5 or less Unit Holders, the quorum required for a meeting of the Unit Holders of the Fund shall be 2 Unit Holders, whether present in person or by proxy.

If the meeting has been convened for the purpose of voting on a Special Resolution, the Unit Holders present in person or by proxy must hold in aggregate at least 25% of the Units in circulation at the time of the meeting.

## 10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS

### Related Party Transaction

#### The Manager

As at 30 June 2018, we are not aware of any existing related party transactions or conflict of interest situations involving the Fund.

#### SCBMB Trustee Berhad

The Trustee may have related party transactions involving or in connection with the Fund in the following events:

- Where the Fund invests in the products offered by Standard Chartered Bank Malaysia Berhad and any of its group companies (e.g. money market placement, etc.);
- Where the Manager utilized the services offered by Standard Chartered Bank Malaysia Berhad (e.g. fixed income brokerage services, etc.); and
- Where the Trustee has delegated its custodian functions for the Fund to Standard Chartered Bank Malaysia Berhad.

The Trustee will rely on the Manager to ensure that any related party transactions, dealings, investments and appointments are on terms which are the best that are reasonably available for or to the Fund and are on an arm's length basis as if between independent parties. While the Trustee has internal policies intended to prevent or manage conflicts of interests, no assurance is given that their application will necessarily prevent or mitigate conflicts of interests. The Trustee's commitment to act in the best interests of the Unit Holders of the Fund does not preclude the possibility of related party transactions or conflicts.

### Policy on dealing with conflict of interest

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

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

### Cross Trade Policy

To provide more liquidity in the dealing of securities, we may carry out transactions between the Fund and the investment portfolios of our other customers ("cross-trades") provided always that any such cross-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.

We shall have full discretion to determine the price (or yield) on such trades by taking into consideration factors such as broker's valuation, bond pricing agencies, market quotes, odd lot trades and market condition. We will decide the price which we believe to be a 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 to the seller who wants to liquidate the securities or the portfolio. All cross-trades will be carried out in compliance with the relevant laws.

Notwithstanding the above, cross trades between the personal account of an employee of ours and the Fund's account(s) and between our proprietary trading accounts and the Fund's account(s) are strictly prohibited.

**Details of directors' and sole shareholder's direct and indirect interest in other corporations**

As at 30 June 2018, none of our directors or our sole shareholder have any direct or indirect interests in other corporations in Malaysia carrying on a similar business as us.

**Other declaration**

As at 30 June 2018, none of the advisers (i.e., the tax advisers and solicitors) has any existing or potential conflicts of interest in an advisory capacity with the Fund and/or us.

## **11. ADDITIONAL INFORMATION**

### **11.1 HOW TO KEEP ABREAST OF DEVELOPMENT IN THE FUND**

You may obtain this Prospectus and the daily price of the Fund from our website at [www.opusasset.com](http://www.opusasset.com). The price of the Fund on a Business Day will be available on the next Business Day.

We will provide you with an annual report and an interim report of the Fund via electronic mail within 2 months after the end of the financial period the report covers. The annual report and interim report will also be available at our website thereafter.

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

### **11.2 AVENUE FOR ADVICE**

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

**THE FUND'S ANNUAL REPORT IS AVAILABLE UPON REQUEST.**

## **12. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the following documents, where applicable, may be inspected at our business office or such other place as the SC may determine:

- (a) the Deed and supplemental deed, if any;
- (b) this Prospectus and supplementary or replacement prospectus, if any;
- (c) the latest annual and interim reports of the Fund, if any;
- (d) any material contract disclosed in this Prospectus and, in the case of a contract not reduced into writing, a memorandum which gives full particulars of the contract;
- (e) where applicable, our audited financial statements and the audited financial statement of the Fund for the current financial year and for the last 3 financial years or if less than 3 years, from the date of incorporation or commencement;
- (f) any report, letter or other document, valuation and statement by any expert, any part of which is extracted or referred to in this Prospectus. Where a summary expert's report is included in this Prospectus, the corresponding full expert's report must be made available for inspection;
- (g) writ and relevant cause papers for all material litigation and arbitration disclosed in this Prospectus, if any; and
- (h) any consent given by experts disclosed in this Prospectus.

## 13. TAX ADVISERS' LETTER



Crowe KL Tax Sdn Bhd 10799-X  
(PMA Crowe Horwath KL Tax Sdn Bhd)  
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12, Jalan Yap Kwan Seng  
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Main +6 03 2788 9898  
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www.crowe.my

6 July 2018

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

Dear Sirs,

### **OPUS MONEY PLUS FUND TAXATION OF THE FUND AND UNIT HOLDERS**

This letter has been prepared for inclusion in the Prospectus which is registered with the Securities Commission Malaysia ("SC") in relation to the unit trust fund known as the Opus Money Plus Fund (hereinafter referred to as "the Fund").

#### **1. INFORMATION ON THE FUND**

The Fund is an investment scheme that is required to adhere to the *Guidelines on Unit Trust Fund* issued by the SC under the Capital Markets and Services Act, 2007 ("CMSA").

The Fund is not a wholesale money market fund.

Accordingly, there may be tax implications in the relevant tax jurisdictions with regards to the profits or gains from the investment and disposal of those investments. The scope of this letter is to address on the taxation implications in Malaysia.

#### **2. TAXATION OF A UNIT TRUST FUND**

##### **2.1 Taxable income**

The taxation of the Fund which is a unit trust scheme is governed principally by Sections 61 and 63B of the Income Tax Act, 1967 ("ITA"). Further, the Inland Revenue Board of Malaysia ("IRBM") has issued the Public Ruling 7/2013: Unit Trust Funds Part I – An Overview and Public Ruling 7/2014: Unit Trust Funds - Part II – Taxation of Unit Trusts dated 28 May 2013 and 4 November 2014 respectively to explain the tax treatments for Unit Trust Funds.

The Fund's trustee is SCBMB Trustee Berhad, which is a resident in Malaysia for tax purposes. As the trustee is a tax resident in Malaysia, the Fund is also 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

Page 1

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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. Under Section 2(7) of the MITA, any reference to interest shall apply, *mutatis mutandis*, to gains or profits received and expenses incurred, in lieu of interest, in transaction conducted in accordance with the principles of *Shariah*. The income tax rate applicable to the Fund is 24%.

## 2.2 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 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 is exempt from income tax:

- (i) Any savings certificates issued by the Government [Paragraph 19 to Schedule 6 of the MITA];
- (ii) Securities or bonds issued or guaranteed by the Government [Paragraph 35(a) to Schedule 6 of the MITA];
- (iii) Debentures or sukuk, other than convertible stock, approved by the Securities Commission [Paragraph 35(b) to Schedule 6 of the MITA];
- (iv) Bon Simpanan Malaysia issued by Central Bank of Malaysia [Paragraph 35(d) to Schedule 6 of the MITA];
- (v) Deposits with banks licensed under the Banking and Financial Services Act 2013 or the Islamic Financial Services Act 2013 or any development financial institution prescribed under the Development Financial Institutions Act 2002 (Note: In the case of a unit trust which is a money market fund, the exemption shall only apply to a wholesale fund which complies with the criteria as set out in the relevant guidelines issued by the Securities Commission Malaysia) [Paragraph 35A to Schedule 6 of the MITA];
- (vi) Islamic securities (including sukuk) originating from Malaysia, other than convertible loan stock, issued in any currency other than Ringgit and approved or authorized by, or lodged with, the Securities Commission or approved by the Labuan Financial Services Authority, provided that the exemption shall not apply to interest paid or credited to a company in a

Page 2

- same group, or interest paid or credited to a bank licensed under the Financial Services Act 2013, an Islamic bank licensed under the Islamic Financial Services Act 2013 or a development financial institution prescribed under the Development Financial Institutions Act 2002 [Paragraph 33B to Schedule 6 of the MITA];
- (vii) Bonds and securities issued by Pengurusan Danaharta Nasional Berhad [Income Tax (Exemption) (No. 5) Order 2001];
  - (viii) Bonds other than convertible loan stock issued by any company listed in Malaysia Exchange of Securities [Income Tax (Exemption) (No. 13) Order 2001];
  - (ix) Bonds and securities issued by Pengurusan Danaharta Nasional Berhad [Income Tax (Exemption) (No. 6) Order 2003];
  - (x) Sukuk Issue which has been issued by the Malaysia Global Sukuk Inc [Income Tax (Exemption) (No. 31) Order 2002];
  - (xi) Sukuk Ijarah, other than convertible loan stock, issued in any currency by 1Malaysia Sukuk Global Berhad [Income Tax (Exemption) Order 2010]; and
  - (xii) Sukuk Wakala, other than convertible loan stock, issued in any currency by Wakala Global Sukuk Behad [Income Tax (Exemption) (No. 4) Order 2011].

**(d) Discount income or profit derived**

Tax exemption is given on discount income received on the securities and debentures mentioned in items 2.2 (c) (i) to (iv) above [Paragraph 35(a) to Paragraph 35(d) to Schedule 6 of the MITA].

**(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.

**2.3 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 and interest (whether such dividend or interest is exempt or not), rent, and gains made from the realisation of investments (whether chargeable to tax or not) for that basis period.

Dividend income is deemed to include income distributed by a unit trust for the purpose of calculating the above deduction.

The special deduction of expenses is subject to a minimum of 10% of the total permitted expenses incurred for that basis period. The allowable portion of permitted expenses will be deducted from the aggregate income. 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.

## 2.4 Real Property Gains Tax ("RPGT")

Generally, gains on disposal of investments by the Fund will not be subject to Income Tax in Malaysia as mentioned in 2.2(a).

Nevertheless, capital gains from disposals of chargeable assets, such as real properties or shares in real property companies will be subject to RPGT as follows:

- (a) Gains arising from disposals made within 3 years from the date of acquisition of the chargeable assets are subject to RPGT at the rate of 30%;
- (b) Gains arising from disposals made between the 4<sup>th</sup> year from the date of acquisition of the chargeable assets are subject to RPGT at the rate of 20%;
- (c) Gains arising from disposals made between the 5<sup>th</sup> year from the date of acquisition of the chargeable assets are subject to RPGT at the rate of 15%;
- (d) Gains arising from disposals made after 5 years from the date of acquisition of the chargeable assets are subject to RPGT at the rate of 5%.

[Schedule 5 of the Real Property Gains Tax Act 1976]

## 2.5 Goods and Services Tax ("GST")

Pursuant to the Goods and Services Tax (Exempt Supply) Order 2014, the issuance of any units under a trust fund is determined as exempt supplies. The Fund, being a trust fund, will be making exempt supplies and hence it is not required to be registered for GST purposes.

In respect of any GST expenses paid by the Fund on management fees, trustee fees and other expenses, the input tax which may be incurred are generally not claimable or recoverable by the Fund. The GST rate is 6% from 1 April 2015 to 31 May 2018. With effect from 1 June 2018, the applicable GST rate is to be revised from 6% to 0%.

## 3. TAXATION OF UNIT HOLDERS

### 3.1. 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 28%. 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 28% 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 24% on the distributions of income from the Fund received by them. For small and medium scale companies with a paid-up capital of RM2.5 million and below (SME), the corporate tax rate of 18% is applicable on chargeable income of up to RM500,000 and 24% 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.

Page 5

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"Related company" is defined as a company which has 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.

### 3.2 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.

### 3.3 Unit splits and sale, transfer or redemption of units

Unit splits issued by the Fund is 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 realised 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 income 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 KL Tax Sdn Bhd**  
(FKA Crowe Horwath KL Tax Sdn Bhd)

† **Poon Yew Hoe**  
Executive Director, Tax

#### **14. LIST OF AUTHORISED DISTRIBUTORS**

The Fund is distributed via the following channels:

- our head office
- our authorised unit trust consultants
- our authorised distribution channels

For more details on the lists of registered unit trust consultants and authorised distribution channels (as and when appointed by us), please contact us.

The address and contact numbers of our head office are disclosed as follows: -

B-19-2, Northpoint Offices,  
Mid Valley City,  
No.1, Medan Syed Putra Utara,  
59200 Kuala Lumpur  
Telephone: 603 2288 8882  
Client Services: 603 2288 8833  
Facsimile: 603 2288 8889



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

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**Website:** [www.opusasset.com](http://www.opusasset.com)