

Prospectus

Dated 18 September 2020

OPUS SHARIAH CASH MANAGEMENT PLUS FUND

Constituted on 18 September 2020

Manager : Opus Asset Management Sdn Bhd
199601042272 (414625-T)

Trustee : Maybank Trustees Berhad
196301000109 (5004-P)

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 Shariah Cash Management Plus Fund and a copy of this Prospectus has been registered with the Securities Commission Malaysia.

The authorisation of the Opus Shariah Cash Management Plus Fund, and registration of this Prospectus, should not be taken to indicate that Securities Commission Malaysia recommends the Opus Shariah Cash Management 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 Shariah Cash Management 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 Shariah Cash Management Plus Fund.

Opus Shariah Cash Management Plus Fund has been certified as Shariah-compliant by the Shariah adviser appointed for 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.

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1. GLOSSARY

“BNM”	: means Bank Negara Malaysia.
“Base Currency”	: means the base currency of the Fund which is RM.
“Bursa Malaysia”	: 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.
“Business Day”	: 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.
“CMSA”	: means the Capital Markets and Services Act 2007 as may be amended from time to time.
“Class”	: means any class of Units in the Fund representing similar interest in the assets of the Fund and a “Class” means any one class of Units.
“Class A”	: represents a Class denominated in RM which is offered to individual investors.
“Class B”	: represents a Class denominated in RM which is offered to non-individual investors including but not limited to corporations, insurance companies, government linked companies and etc .
“Cooling-off Period”	: 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.
“Cooling-off Right”	: 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.
“Deed”	: means the deed dated 18 June 2020 as modified by a supplemental deed dated 26 August 2020 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.
“financial institution”	: (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 or registered or approved or authorised by the relevant banking regulator to provide financial services.
“forward pricing”	: means the Selling Price and the Repurchase Price which are 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.
“Fund” or “Opus Shariah CMPF”	: means the Opus Shariah Cash Management Plus Fund.

“Guidelines”	: means the <i>Guidelines on Unit Trust Funds</i> issued by the SC as may be revised, updated or amended from time to time.
“Initial Offer Period”	: 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.
“Initial Offer Price”	: means the fixed price at which Units are created, cancelled, sold and repurchased during the Initial Offer Period.
“Islamic deposit(s)”	: has the same meaning as prescribed under the Islamic Financial Services Act 2013.
“Launch Date”	: 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.
“licensed bank”	: has the same meaning as prescribed under the Financial Services Act 2013.
“licensed investment bank”	: has the same meaning as prescribed under the Financial Services Act 2013.
“licensed Islamic bank”	: has the same meaning as prescribed under the Islamic Financial Services Act 2013.
“Manager” or “us” or “we” or “our” or “OpusAM”	: refers to Opus Asset Management Sdn Bhd.
“MARC”	: means Malaysian Rating Corporation Berhad.
“Net Asset Value” or “NAV”	: means the value of all the assets of the Fund less the value of all the liabilities of that Fund at a valuation point; where the Fund has more than one (1) Class, there shall be a NAV of the Fund attributable to each Class.
“NAV per Unit”	: means the NAV of a Class at a particular valuation point divided by the number of Units in circulation of that Class at the same valuation point.
“Prospectus”	: means this document which is registered with the SC in relation to the Fund.
“RAM”	: means RAM Rating Services Berhad.
“Repurchase Charge”	: means a fee payable pursuant to a repurchase request.
“Repurchase Price”	: 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>
“RM”	: means Ringgit Malaysia, the official currency of Malaysia.
“SAC of BNM”	: Shariah Advisory Council of BNM.
“Sales Charge”	: means a fee payable pursuant to an application for purchase of Units.

“SC”	: means the Securities Commission Malaysia established under the Securities Commission Malaysia Act 1993.
“Selling Price”	: 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>
“Shariah”	: means Islamic Law comprising the whole body of rulings pertaining to human conducts derived from sources of Shariah.
“Shariah Adviser” or “Tawafuq”	: refers to Tawafuq Consultancy Sdn Bhd, the Shariah adviser appointed for the Fund and includes its permitted assigns, successors in title.
“Shariah requirements”	: is a phrase or expression which generally means making sure that any human conduct must not involve any elements which are prohibited by the Shariah and that in performing that conduct all the essential elements that make up the conduct must be present and each essential element must meet all the necessary conditions required by the Shariah for that element.
“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 terminating the Fund or a Class, “Special Resolution” means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority in number representing at least three-fourths of the value of the Units held by the Unit Holders present and voting at the meeting in person or by proxy.
“Trustee”	: refers to Maybank Trustees Berhad, the trustee for the Fund.
“Unit(s)”	: means a measurement of the right or interest of a Unit Holder in the Fund and means a unit of the Fund or a Class, as the case may be.
“Unit Holder” or “you”	: means a registered holder of a Unit or Units of a Class including any jointholder whose name appears in our register of Unit Holders; in relation to the Fund, means all the Unit Holders of every Class in the Fund.

2. CORPORATE DIRECTORY

THE MANAGER

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

THE TRUSTEE

NAME : Maybank Trustees Berhad
REGISTRATION NO. : 196301000109 (5004-P)
REGISTERED OFFICE : 8th Floor, Menara Maybank
AND BUSINESS OFFICE : 100, Jalan Tun Perak
50050 Kuala Lumpur
TELEPHONE NO. : 603-2074 8580 / 2074 8952
FAX NO. : 603-2070 9387
EMAIL : mtb.ut@maybank.com.my

THE SHARIAH ADVISER

NAME : Tawafuq Consultancy Sdn Bhd
REGISTRATION NO. : 201501036171 (1161491-M)
REGISTERED OFFICE : No 6-2F Pinggiran Mutiara Utama
Taman Mutiara Gombak 2
53100 Kuala Lumpur
BUSINESS OFFICE : Unit 19-02, Level 19, Binjai 8 Suites
No. 2, Lorong Binjai
50450 Kuala Lumpur
TELEPHONE NO. : 03-2181 3272
FAX NO. : 03-2181 3272
WEBSITE ADDRESS : www.tawafuqconsultancy.com
EMAIL : office@tawafuqconsultancy.com

3. THE FUND

3.1 FUND INFORMATION

Name of the Fund	Opus Shariah Cash Management Plus Fund	
Base Currency	RM	
Fund Category	Money Market (Islamic)	
Fund Type	Income	
Initial Offer Price	<u>Class A</u> RM1.00	<u>Class B</u> RM1.00
Initial Offer Period	7 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.	
Financial Year End	31 March 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. <i>Note: The Launch Date is the date on which sale of Units of the Fund may first be made.</i>	
Deed	<ul style="list-style-type: none">• Deed dated 18 June 2020• Supplemental Deed dated 26 August 2020	

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.

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

3.2 INVESTMENT OBJECTIVE

The Fund aims to provide liquidity and regular income stream by investing in Islamic deposits with financial institutions in Malaysia.

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 Islamic deposits with an average duration of not more than 1 year to maturity.

We will only invest with financial institutions which have a minimum credit rating of at least AA3 by RAM (or equivalent rating by MARC or by any other reputable credit rating agency). In the event of a credit downgrade, we reserve the right to deal with the Islamic deposits placed with such financial institutions in the best interest of the Unit Holders.

We will actively manage the portfolio by constructing a portfolio of Islamic deposits with different maturities to meet the liquidity requirements.

3.4 ASSET ALLOCATION

- A minimum 90% of its NAV in Islamic deposits which have a remaining maturity period of not more than 365 days; and
- Up to 10% of its NAV in Islamic deposits which have a remaining maturity period of more than 365 days but fewer than 732 days.

3.5 DISTRIBUTION POLICY

The Fund will distribute income, if any, at least once a month. However, we reserve the right not to distribute income at our sole and absolute discretion if it is not in the best interests of the Unit Holders.

Any distribution payable which is less than or equal to the amount of RM100.00 will be automatically reinvested on behalf of the Unit Holders.

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

3.6 PERFORMANCE BENCHMARK

Maybank Islamic Overnight 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

- Islamic deposits placed with financial institutions; and
- Any other form of Shariah-compliant investments as may be permitted by the SC or Shariah Adviser from time to time which is in line with the objective of the Fund.

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 Islamic deposits which have a remaining maturity period of not more than 365 days must not be less than 90% of the Fund's NAV.

2. The value of the Fund's investments in Islamic deposits 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

3. The value of the Fund's placement in Islamic deposits with any single financial institution must not exceed 20% of the Fund's NAV.

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.

3.9 SHARIAH INVESTMENT GUIDELINES FOR THE FUND

Tawafuq adopts the following methodologies in determining the Shariah status of investments of the Fund.

3.9.1 Shariah Investment Guidelines

Placement in Islamic deposit/current account

Placement in Islamic deposit or Islamic current account will be verified against licensed financial institutions offering such facilities and as approved by the SAC of BNM.

3.9.2 Cleansing Process for the Fund

Wrong Investment

Refers to Shariah non-compliant investment made by the Manager. The said investment is to be disposed of/withdrawn with immediate effect or within a month of knowing the status of the investments. Should the disposal resulted in gain (through capital gain and/or dividend/profit) received before or after the disposal of the investment, it is to be channeled to baitulmal and/or any other charitable bodies as advised by the Shariah Adviser. However, should the disposal resulted in a loss to the Fund, the same will be borne by the Manager.

3.9.3 Zakat (tithe) for the Fund

The Fund does not pay zakat on behalf of Muslim individuals and Islamic legal entities. Thus, investors are advised to perform the zakat obligation on their own.

The investment portfolio of the Fund will comprise instruments that have been classified as Shariah-compliant by the SAC of BNM. For instruments that are not classified as Shariah-compliant by the SAC of BNM, the status of the instruments has been determined in accordance with the ruling issued by the Shariah Adviser.

3.10 POLICY ON GEARING FOR THE FUND

The Fund will not obtain cash financing or borrow other assets (including those 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

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 Unit Holders cannot discount the risk that losses may be suffered by the Fund if the breakdown is sufficiently serious. 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 financing to finance your investment. The inherent risk of investing with financed money or through financing includes you being unable to service the financing instalment. In the event Units are used as collateral, you may be required to top-up your existing instalment if the prices of the Units fall below a certain level due to market conditions. Failing which, the Units may be sold at a lower NAV per Unit as compared to the NAV per Unit at the point of purchase towards settling the financing facility.

4.2 SPECIFIC RISKS OF INVESTING IN THE FUND

Credit and default risk

Credit risk relates to the creditworthiness of the financial institutions and their expected ability to make timely payment of profit and/or principal. Any adverse situations faced by the financial institutions may impact the value as well as liquidity of the Islamic deposits.

Default risk relates to the risk that a financial institution which the Fund places its Islamic deposits with either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the Islamic deposits. If the financial institution

becomes insolvent, the Fund may suffer capital losses with regards to the capital invested and profit foregone. These could adversely affect the value and performance of the Fund.

In mitigating credit and default risk, the Fund will invest only with financial institutions which have a minimum credit rating of at least AA3 by RAM (or equivalent rating by MARC or by any other reputable credit rating agency).

Interest rate risk

Interest rate risk refers to the impact of interest rate changes on the potential returns from future placements in Islamic deposits of the Fund. In an environment of falling interest rates, the Fund's future placements in Islamic deposits would be reinvested at lower profit rates, which in turn will reduce the potential returns of the Fund.

Note: Interest rate is a general indicator that will have an impact on the management of the Fund regardless whether it is an Islamic fund or otherwise. It does not in any way suggest that this Fund will invest in conventional financial instruments.

Shariah non-compliance risk

There is a risk that the Fund may suffer losses when we have to dispose any investments to rectify any Shariah non-compliance. If this occurs, the value of the Fund may be adversely affected. This risk is, however, mitigated through the appointment of Shariah Adviser, who will be responsible to ensure that the Fund is managed and administered in accordance with the Shariah Investment Guidelines set out in Section 3.9 of this Prospectus.

4.3 RISK MANAGEMENT STRATEGIES

There are generally 2 main risks in the Fund's investments in Islamic deposits. OpusAM applies the following risk management strategies for the respective risks involved: -

Risk	OpusAM's strategies to mitigate investment risks
Credit and Default Risk	<ul style="list-style-type: none"> ▪ Optimal portfolio diversification. ▪ Review and assess on regular basis by analysts and fund managers. ▪ Focus on AA3 or higher financial institutions.
Interest Rate Risk	<ul style="list-style-type: none"> ▪ Diversify through different maturities. ▪ Adjust maturity structure based on the interest rate outlook. ▪ Shortening of maturity when interest rates are expected to rise.

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. BANKERS, SHARIAH ADVISERS, 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

Class A	Class B
Up to 0.50% of the NAV per Unit.	

We reserve the right to waive or reduce the sales charge from time to time at our absolute discretion.

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 our absolute discretion.

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 our absolute discretion.

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

Class A	Class B
Up to 0.20% per annum of the NAV of the Class.	

The annual management fee is calculated and accrued on a daily basis and payable on a monthly basis.

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

5.7 ANNUAL TRUSTEE FEE

Up to 0.02 % per annum of the NAV of the Fund, subject to a minimum fee 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.

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

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 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 of the Fund;
- (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, takaful 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 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, the Trustee or the Trustee's delegate will not retain any rebate from, or otherwise share in any commission with, any 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 dealer is executed on terms which are the most favourable for the Fund; and
- (iii) our practice in relation to soft commissions is adequately disclosed in this Prospectus and the Fund's reports, including a description of the goods and services received by us.

5.10 TAX

A Unit Holder and/or the Fund (as the case may be) (hereinafter referred to as the "Paying Party") shall upon demand pay any tax which may be imposed by law to the party duly entitled to collect such tax in addition to any other payments payable by the Paying Party pursuant to this Prospectus and the Deed.

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

Islamic deposits	Islamic deposits will be valued each day by reference to the principal value and the accrued profit thereon for the relevant period.
Any other Shariah - compliant investment	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:

	Fund (RM)	Class A (RM)	Class B (RM)
Value of the Fund/Class	100,000,000.00	50,000,000.00	50,000,000.00
Multi-class ratio[^]	100%	50%	50%
Add: Income	200,000.00	100,000.00	100,000.00
Less: Expenses	100,000.00	50,000.00	50,000.00
NAV before deducting management fee and trustee fee for the day	100,100,000.00	50,050,000.00	50,050,000.00
Less: Management fee for the day		(50,050,000 x 0.20% / 365 days)	(50,050,000 x 0.20% / 365 days)
	548.50	274.25	274.25
Less: Trustee fee for the day		(50,050,000 x 0.02% / 365 days)	(50,050,000 x 0.02% / 365 days)
	54.84	27.42	27.42
Total NAV (RM)	100,099,396.66	50,049,698.33	50,049,698.33

[^]Multi-class ratio is apportioned based on the size of the Class relative to the whole Fund. This means the multi-class ratio is calculated by taking the value of a Class for a particular day and dividing it with the value of the Fund for that same day. This apportionment is expressed as a ratio and calculated as a percentage.

NAV per Unit

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

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

	Fund (RM)	Class A (RM)	Class B (RM)
NAV	100,099,396.66	50,049,698.33	50,049,698.33
Divide: Units in circulation	100,000,000	50,000,000	50,000,000
NAV per Unit of the Class (RM)		RM1.0010	RM1.0010

6.2.1 Illustration on how Units are allocated

Assuming a Unit Holder invests RM10,000 in Class A, the Selling Price of Class A is RM1.00 and the Sales Charge is 0.50% of the NAV per Unit.

$$\begin{aligned}\text{Sales Charge} &= 0.50\% \times (\text{amount to be invested}) \\ &= 0.50\% \times \text{RM10,000} \\ &= \text{RM50}\end{aligned}$$

Total amount the Unit Holder will have to pay:

$$\begin{aligned}\text{Amount to be invested} + \text{Sales Charge} &= \text{RM10,000} + \text{RM50} \\ &= \text{RM10,050}\end{aligned}$$

Number of Units allocated to the Unit Holder

$$\begin{aligned}\text{Amount to be invested} / \text{NAV per Unit} &= \text{RM10,000} / \text{RM1.0000} \text{ (rounded up to 4 decimal places)} \\ &= 10,000 \text{ Units}\end{aligned}$$

6.2.2 Illustration on how repurchase proceeds are calculated

Assuming a Unit Holder redeems 10,000 Units from Class A, the Repurchase Price of Class A is RM1.00 and no Repurchase Charge is imposed.

$$\begin{aligned}\text{Repurchase Charge} &= 0.00\% \times (\text{amount to be redeemed}) \\ &= 0.00\% \times \text{RM10,000} \\ &= \text{RM0}\end{aligned}$$

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

$$\begin{aligned}\text{Amount to be redeemed} - \text{Repurchase Charge} &= \text{RM10,000} - \text{RM0} \\ &= \text{RM10,000}\end{aligned}$$

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

	Class A	Class B
Minimum Initial Investment [^]	RM5,000	RM50,000
Minimum Additional Investment [^]	RM1,000	RM10,000
Minimum Units for Repurchase [^]	1,000 Units	10,000 Units
	<i>Note: If a repurchase request results in you holding less than the applicable minimum holdings requirements of the Fund, the Manager has the discretion to repurchase all the remaining Units held by you in the Fund and pay the repurchase proceeds to you.</i>	
Minimum Holdings to Maintain an Account [^]	5,000 Units	50,000 Units

[^] or such other lower amount or number of Units 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"> ▪ Suitability assessment form; ▪ Original sighted copy of the NRIC; and ▪ Self Certification Form - Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS). 	<ul style="list-style-type: none"> ▪ Suitability assessment form; ▪ Original sighted copy of the NRIC; ▪ Self Certification Form - Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS); and ▪ Any one of the following documents: <ul style="list-style-type: none"> (a) bank statement; (b) utility bill; or (c) driving licence. <p><i>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.</i></p>	<ul style="list-style-type: none"> ▪ Suitability assessment form; ▪ Self Certification Form - Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS); ▪ Certified true copy of form 8, 9, 13, 20 and 44 (where applicable)*; ▪ Certified true copy of form 24 and form 49*; ▪ Certified true copy of the latest form of annual return*; ▪ Board of Director's resolution relating to the investment; ▪ Certified true copy of memorandum and articles of association*; ▪ A list of the authorised signatories & specimen signatures of the respective signatories; and ▪ Original sighted copy of the NRIC / Passport (for foreigners) of all authorised signatories. <p><i>* or any other equivalent documentation issued by the authorities.</i></p>

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 11.00 a.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 for subscription received after 11.00 a.m. will be treated as having been received by us on the following Business Day.

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

Distribution Channels

Please refer to Section 15 of this 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 any of the above 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 11.00 a.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 the Repurchase Processing Date.

Any completed repurchase form received after 11.00 a.m. will be treated as having been received by us on the following Business Day.

Repurchase requests are deemed received by us only if the repurchase forms and any other documents as may be required by us are duly and accurately completed.

The repurchase proceeds shall be paid on the next Business Day (T+1) from the Repurchase Processing Date. In the event of any technical difficulties beyond our control, or should the repurchase request results in the sale of assets which cannot be liquidated at an appropriate price or on adequate terms and is as such not in the interest of the existing Unit Holders, 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 11.00 a.m. on a Business Day. Any notification received after 11.00 a.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. However, switching between Classes of the Fund is not allowed.

We must receive your completed application for switching out from the Fund on or before 11.00 a.m. on a Business Day. Any application received after 11.00 a.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 lower 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 that are deemed to be contrary to the best interest of the Fund and/or existing Unit Holders.

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.

Switching from an Islamic fund to a conventional fund is discouraged, especially for Muslim Unit Holders.

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 11.00 a.m. on a Business Day. Any application received after 11.00 a.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 lower 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 without any cost for such reinvestment 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 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 and started by managing equity investment portfolios, including a third party equity unit trust fund. When the present shareholders took over management of the company on 3 January 2005, they started a new business direction, which focused solely on fixed income investments.

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 bodies, government-linked companies, corporations, foundations, cooperatives, private banking, universities, hospitals, 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 31 May 2020, we are not engaged in any material litigation and arbitration, including those pending or threatened, and we are not aware of any facts likely to give rise to any proceedings which might materially affect our business or financial position.

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.

Ahmad Fuad Alhabshi

Investment Manager

En. Fuad is an investment manager, being primarily responsible for managing portfolios as part of the greater investment team, as well as undertaking regular macroeconomic and credit research. Since joining OpusAM in 2008, he has accumulated 10 years of experience in credit research covering various industries, from his previous role as Senior Analyst.

En. Fuad holds a Master of Science degree in Analogue and Digital Integrated Circuit Design from Imperial College London, UK and a Bachelor of Science degree in Electronic Engineering from the University of Warwick, UK. He has been a holder of a Capital Markets Services Representative's Licence since 2010.

INVESTORS MAY VISIT THE MANAGER'S WEBSITE AT www.opusasset.com FOR FURTHER INFORMATION ON THE MANAGER, INVESTMENT COMMITTEE AND SHARIAH ADVISER.

8. THE TRUSTEE

8.1 BACKGROUND OF THE TRUSTEE

Maybank Trustees Berhad (Registration No.: 196301000109 (5004-P)) ("**MTB**") is the trustee of the Fund with its registered office at 8th Floor, Menara Maybank, 100, Jalan Tun Perak, 50050 Kuala Lumpur.

MTB was incorporated on 12 April 1963 and was registered as a trust company under the Trust Companies Act 1949 on 11 November 1963. It was one of the first local trust companies to provide trustee services with the objective of meeting the financial needs of both individual and corporate clients.

8.2 EXPERIENCE IN TRUSTEE BUSINESS

MTB has acquired experience in the administration of unit trust funds/schemes since 1991.

8.3 TRUSTEE'S ROLES, DUTIES AND RESPONSIBILITIES

The Trustee's role is mainly to act as custodian of the Fund and to exercise all due diligence and vigilance in carrying out its functions and duties to safeguard the rights and interests of the Unit Holders. The Trustee is the legal owner of the assets in the Fund. The Trustee will exercise oversight functions over the operation and management of the Fund by the management company to safeguard the interests of the Unit Holders.

8.4 TRUSTEE'S DISCLOSURE OF MATERIAL LITIGATION AND ARBITRATION

As at 31 May 2020, save for the suit mentioned herein below, the Trustee is not engaged in any material litigation as plaintiff or defendant and the Trustee is not aware of any proceedings, pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect its financial position or business.

Several holders of the bonds ("**Bondholders**") issued by Aldwich Berhad [In Receivership] ("**Aldwich**") had sued Aldwich for its failure to settle its indebtedness to the Bondholders following the default of the said bonds in 2010 and named the Trustee as one of the 6 co-defendants under Kuala Lumpur High Court Civil Suit No. D-22NCC-1622-11/2012 ("**Aldwich Bondholders' Suit**"). The claim against the Trustee was for the sum of RM177,248,747.31 or any other sum that the Court deems fit and proper. The other co-defendants are the holding company of Aldwich ("**Holding Company**"), the Chief Executive Officer of the Holding Company ("**CEO**"), the Security Agent and the Reporting Accountant. The Trustee denied all allegations and claimed trial.

The High Court had on 24 July 2017 delivered its judgment on the Aldwich Bondholders' Suit ("**Judgement**") that (a) all the defendants [i.e. Aldwich, Holding Company, CEO, Security Agent, Trustee and Reporting Accountant] are liable to the Bondholders for the sum of RM177,248,747.31 ("**Judgement Sum**"); (b) Aldwich, Holding Company and CEO are 100% liable for the Judgement Sum; and (c) among the Security Agent, Trustee and Reporting Accountant, liability is apportioned in the proportion of 50%, 30% and 20% of the Judgement Sum respectively.

The High Court had on 5 October 2017 decided in respect of the outstanding matters arising from the Judgement that (a) the quantum of the Judgement Sum is maintained, and (b) interest is payable based on the reduced sum of RM148,653,953.20 at the rate of 5% per annum from 1 November 2011 to the date of payment.

The Trustee filed an appeal against the Judgement (“**Appeal**”) at the Court of Appeal. On 18 September 2019, the Court of Appeal dismissed the Appeal and affirmed the decision of the High Court.

On 16 October 2019, the Trustee had filed its Leave Motion to the Federal Court which is fixed for hearing on 13 August 2020.

The Aldwich Bondholders’ Suit will not materially affect the business or financial position of the Trustee.

8.5 TRUSTEE’S DELEGATE

MTB has delegated its custodian function to Malayan Banking Berhad. The custodian function is run under Maybank Securities Services (“**MSS**”), a unit within Malayan Banking Berhad. MSS provides a comprehensive end to end clearing and custody services for global and domestic equities and fixed income securities. MSS provides a complete suite of corporate outsourcing solutions with a proven track record in servicing international institutional clients: Sub Custodian for major Foreign Banks and Global Custodians. MSS also provides global custody services in more than 100 different markets via a special arrangement with their reputable partners. They have also consistently been awarded in the Global Custodian Awards for Excellence as well as other major publications.

The roles and duties of the Trustee’s delegate, MSS, are as follows:

- Safekeep, reconcile and maintain assets holdings records of funds against Trustee’s instructions;
- Act as settlement agent for shares and moneys to counterparties against Trustee’s instructions;
- Act as agents for money market placement where applicable against Trustee’s instructions;
- Disseminate listed companies’ announcements to and follow through for corporate actions instructions from Trustee;
- Compile, prepare and submit holdings report to Trustee and beneficial owners where relevant; and
- Other ad-hoc payments for work done for the funds against Trustee’s instructions, etc.

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

9. THE SHARIAH ADVISER

Tawafuq has been appointed as the Shariah adviser for the Fund. Tawafuq will counsel the mechanism of the operations of the Fund's activities to ensure that the operations of the Fund comply with Shariah requirements.

9.1 BACKGROUND AND EXPERIENCE OF THE SHARIAH ADVISER

Tawafuq Consultancy Sdn Bhd ("Tawafuq") is an independent global Shariah advisory firm, who is committed in offering comprehensive end-to-end Islamic finance and halal solutions by leveraging on its global presence, in-depth knowledge and integrated structure.

Named the "Best Emerging Shari'a Advisory Firm 2019" by Global Islamic Finance Awards, "Best End-to-End Islamic Finance Consultant 2019" by International Finance and "Best Training Provider 2019" by Islamic Retail Banking Awards, the firm provides consultancy, research, training, and professional services in the area of Islamic Banking, Islamic Capital Market, Islamic Wealth Management, Islamic Asset Management, Islamic Fintech, and Takaful. As a registered Shariah adviser with the Securities Commission of Malaysia ("SCM"), Tawafuq is allowed to advise on Sukuk, Islamic unit trusts, Islamic investment funds, Islamic real estate investment trust (i-REIT), Islamic exchange-traded funds, Islamic crowdfunding, Islamic P2P issuances, etc. The firm is also registered as an Approved External Shariah Adviser under the Co-operatives Commission of Malaysia ("SKM"), a community member of the Malaysia International Islamic Financial Centre ("MIFC"), and a member of the Network of Islamic Finance Training Institutes ("NIFTI"), a global network of 64 Islamic finance training institutes. It is also empaneled on the Malaysia Digital Economy Corporation ("MDEC")'s list of preferred Shariah adviser.

With experienced and well-trained Islamic finance professionals and scholars on board of the firm, Tawafuq offers comprehensive public and in-house training courses, quality research, and well-integrated and up-to-date consultancy to regulatory bodies, government agencies, financial institutions, fund management companies, corporate sector, higher learning institutions, and public at large.

9.2 SHARIAH ADVISER'S ROLES, DUTIES AND RESPONSIBILITIES

As the Shariah adviser for the Fund, the role of Tawafuq is to ensure that the operations and investments of the Fund are in compliance with Shariah requirements. The Shariah Adviser reviews the Fund's investments on a monthly basis to ensure compliance with Shariah requirements at all times and advise on the Fund's compliance with Shariah requirements. However, the final responsibility for ensuring Shariah compliance of the Fund with Shariah requirements in all relevant aspects rests solely with the Manager.

In line with the SC guidelines, the roles of Tawafuq as the Shariah Adviser are:

1. ensuring that the Fund is managed and administered in accordance with the Shariah principles;
2. providing expertise and guidance for the Fund in all matters relating to Shariah principles, including on the Deed and this Prospectus, its structure and investment process, and other operational and administrative matters;
3. consulting the SC who may consult the Shariah Advisory Council where there is any ambiguity or uncertainty as to an investment, instrument, system, procedure and/or process;
4. scrutinising the Fund's compliance report as provided by the compliance officer, transaction report provided by or duly approved by the Trustee and any other report deemed necessary for the purpose of ensuring that the Fund's investments are in line with the Shariah principles;

5. preparing a report to be included in the Fund's interim and annual report certifying whether the Fund have been managed and administered in accordance with the Shariah principles;
6. ensuring the Fund complies, with any guideline, ruling or decision issued by the SC, with regard to Shariah matters;
7. vetting and advising on the promotional materials of the Fund; and
8. assisting and attending to any ad-hoc meeting called by the SC and/or any other relevant authority.

9.3 DESIGNATED PERSON RESPONSIBLE FOR SHARIAH MATTERS OF THE FUND

Tawafuq's Shariah team consists of the following personnel:

Syeikh Ibrahim Bin Nasir Al-Sawafi (Chairman Shariah Advisory Board)

Syeikh Ibrahim Al-Sawafi holds the office of Learned Secretary at the Ifta Office of the Ministry of Awqaf & Religious Affairs of the Sultanate of Oman. Syeikh Ibrahim is a renowned Shariah scholar and member of several Shariah boards in the Sultanate of Oman including the Shariah Advisory Board of Bank Nizwa. He regularly speaks at Islamic banking & finance seminars and conferences and is an active participant in the development of the Islamic banking & finance industry in Sultanate of Oman.

Muhammad Aiman Mohamad Salmi (Director/ Principal Consultant/Managing Advisor)

A Chartered Professional in Islamic Finance (CPIF), Aiman holds a Bachelor of Laws (Honours) and Bachelor of Laws (Shariah)(Honours) from the International Islamic University Malaysia (IIUM) and a MSc in Islamic Finance from INCEIF, Malaysia. An Advocate and Solicitor of the High Court of Malaya (Malaysia) and a qualified Malaysian Syariah Counsel, he regularly delivers Islamic finance courses and has completed the prestigious "i-Advisor program" organized by the SC.

Currently, he is a member of the Chartered Institute of Islamic Finance Professionals (CIIF), the Association of Shariah Advisers in Islamic Finance Malaysia (ASAS), Malaysian Finance Association (MFA), Malaysian Association of Muslim Finance Professionals (MAMFP), ASEAN Young Professionals Network (AYPN), Asian Institute of Chartered Bankers (AICB), and the International Council for Islamic Finance Educators (ICIFE). He is also the Deputy President of Malaysia Young Shariah Scholars Association (MySSA).

He is the Principal Consultant and the Qualified Shariah Personnel for Tawafuq Consultancy, as required by SC. He has served a major local Islamic bank assigned to the Shariah Department, whereby he oversees Shariah-compliance aspect of the banking products, offerings, procedures and system and regularly conducts researches on various arising Shariah issues for consumer, business and corporate, wholesale and investment banking segments. Aiman is an accredited trainer with the Islamic Banking & Finance Institute of Malaysia (IBFIM) and has founded the Young Shariah Scholars' Discourse Series (YSD).

Dr. Ahmad Zakirullah Bin Mohamed Shaarani (Senior Consultant)

Dr. Ahmad Zakirullah currently serve as a senior lecturer at faculty of Management and Economy, Universiti Pendidikan Sultan Idris and also a member of Shariah Committee of the United Overseas Bank Malaysia Berhad. Previously he served Islamic Banking and Finance Institute of Malaysia (IBFIM) from February 2008 till October 2018. His prior responsibility includes providing Shariah input on the advisory, consultancy, and research functions with regard to Islamic banking, takaful, Islamic capital market and Shariah-compliant funds. He also has served University Sains Islam Malaysia (USIM) and PTPL College.

He obtained his Diploma of Shariah Islamiyyah (Hons) from Higher Institute of Islamic and Arabic Language (MADIWA), Perak, Bachelor of Shariah Islamiyyah (Hons) Degree from Al-Azhar University, Egypt, Master's Degree (Hons) of Islamic Revealed Knowledge and Heritage (Fiqh and Usul al-Fiqh) from the International Islamic University Malaysia and Doctor of Philosophy of Usul al-Fiqh from University of Malaya.

10. SALIENT TERMS OF THE DEED

10.1 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 the Trustee's 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.

10.2 MAXIMUM FEES AND CHARGES PERMITTED BY THE DEED

Maximum Sales Charge	Maximum Repurchase Charge	Maximum Management Fee	Maximum Trustee Fee
5.00% of the NAV per Unit	5.00% of the NAV per Unit	3.00% per annum of the NAV of the Class	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 rate stated in the Deed shall require Unit Holders' approval.

10.3 PROCEDURES TO INCREASE THE DIRECT AND INDIRECT FEES AND CHARGES FROM THE LEVEL DISCLOSED IN THIS PROSPECTUS

Sales Charge

The Manager may not charge a sales charge at a rate higher than that disclosed in this 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 this 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 this 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 this 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.

10.4 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 or a Class may be charged to the Fund or a Class respectively. These

would include (but are not limited to) the following:

- (a) commissions or fees paid to 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 of the Fund;
- (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, takaful 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 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.

10.5 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, in 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.

10.6 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.

10.7 TERMINATION OF THE FUND

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.

Termination of a Class

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

10.8 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.

Quorum

- (a) The quorum required for a meeting of the Unit Holders of the Fund or a Class, as the case may be shall be 5 Unit Holders, whether present in person or by proxy, however:
 - (i) if the Fund or a Class, as the case may be has 5 or less Unit Holders, the quorum required for a meeting of the Unit Holders of the Fund or a Class, as the case may be, shall be 2 Unit Holders, whether present in person or by proxy; or
 - (ii) if the Fund or a Class, as the case may be, has only 2 Unit Holders, the quorum required for a meeting of the Unit Holders of the Fund or a Class, as the case may be, shall be 1 Unit Holder, whether present in person or by proxy.
- (b) If the meeting has been convened for the purpose of voting on a Special Resolution, the Unit Holders present in person or by proxy must hold in aggregate at least 25% of the Units in circulation of the Fund or a Class, as the case may be, at the time of the meeting.

11. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS

Related Party Transaction

The Manager

As at 31 May 2020, we are not aware of any existing related party transactions or conflict of interest situations involving the Fund.

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.

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

As at 31 May 2020, 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 31 May 2020, none of the advisers (i.e., the tax advisers, Shariah Adviser and solicitors) have any existing or potential conflicts of interest in an advisory capacity with the Fund and/or us.

12. ADDITIONAL INFORMATION

12.1 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. 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 that 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.

12.2 AVENUE FOR ADVICE

You may contact our client services at 603-2288 8833 or fax to 603-2288 8889 or email us at clientservices@opusasset.com if you require further information relating to the Fund or this Prospectus.

12.3 CONSENT

The Trustee, the Trustee's delegate (custodian function) and the Shariah Adviser have given their consent for the inclusion of their names and statements in the form and context in which they appear in this Prospectus and have not withdrawn such consent.

The tax adviser has given its consent for the inclusion of its name and tax adviser's letter in the form and context in which they appear in this Prospectus and have not withdrawn such consent.

THE FUND'S ANNUAL REPORT IS AVAILABLE UPON REQUEST.

13. 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.

14. TAX ADVISERS' LETTER



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16 June 2020

Opus Asset Management Sdn Bhd
B-19-2 Northpoint Offices
Mid Valley City
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Dear Sirs

OPUS SHARIAH CASH MANAGEMENT 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 Shariah Cash Management 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 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 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 exempted 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 Financial Services Act 2013 or the Islamic Financial Services Act 2013 or any development financial institution prescribed under the Development Financial Institutions Act 2002. The exemption shall not apply to a wholesale fund which is a money market fund [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 same group, or interest paid or credited to a bank licensed under the

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- 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 Dealing and Automated Quotations Berhad ("MESDAQ") [Income Tax (Exemption) (No.13) Order 2001];
 - (ix) Bonds and securities issued by Pengurusan Danaharta Nasional Berhad / Danaharta Urus Sdn Bhd [Income Tax (Exemption) (No. 6) Order 2003];
 - (x) Sukuk Issue which has been issued by 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];
 - (xii) Sukuk Wakala, other than convertible loan stock, issued in any currency by Wakala Global Sukuk Behad [Income Tax (Exemption) (No. 4) Order 2011];
 - (xiii) Sukuk Kijang issued by BNM Kijang Berhad [Income Tax (Exemption) (No. 10) Order 2013];
 - (xiv) Sukuk Wakala with a nominal value up to USD1.5b, other than convertible loan stock, issued by the Malaysian Sovereign Sukuk Berhad [Income Tax (Exemption) (No. 3) Order 2015]; and
 - (xv) Sukuk Wakala with a nominal value up to USD1.5b (other than convertible loan stock) issued by Malaysia Sukuk Global Berhad [Income Tax (Exemption) (No. 2) Order 2016].

(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) (ii) 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 3.2(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 4th 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 5th year from the date of acquisition of the chargeable assets are subject to RPGT at the rate of 15%; and
- (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 10%.

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

2.5 Sales and Service Tax (“SST”)

Effective from 1 September 2018, SST has been reintroduced to replace the Goods and Services Tax (“GST”). Both the Sales Tax Act and Services Tax Act 2018 have been gazetted on 28 August 2018.

Sales tax shall be charged and levied on all taxable goods which are locally manufactured or imported into Malaysia. The rates for sales tax are 5%, 10% or a specific rate. As for service tax, it shall be charged and levied on any taxable services provided in Malaysia by a registered person in carrying on his business or any imported taxable service. The rate for service tax is 6%.

If the Fund provides any taxable services such as management and consulting services with a total value of RM500,000 or more in a 12 months period, the Fund shall be liable for service tax registration and shall be required to charge service tax on the said services.

Expenses such as management fees, trustee fees and other expenses paid by the Fund may be subject to service tax at 6%.

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 30%. 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 30% 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. With effect from year of assessment 2020, small and medium scale companies with a paid-up capital of RM2.5 million and below (SME) and having an annual sales of not more than RM50 million, the corporate tax rate of 17% is applicable on chargeable income of up to RM600,000 and 24% on the amount exceeding RM600,000. However, a company with a paid-up capital of not exceeding RM2.5 million will not qualify as a SME under the following circumstances:

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

"Related company" is defined as a company 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


Poon Yew Hoe
Executive Director, Tax

15. LIST OF AUTHORISED DISTRIBUTORS

The Fund is distributed via the following channels:

- our head office;
- our authorised unit trust consultants; and
- 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,
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