

Information Memorandum For

# OPUS SRI SUKUK FUND

Dated 11 November 2021

(Constituted on 6 August 2021)

**Managed by**

OPUS ASSET MANAGEMENT SDN BHD

199601042272 (414625-T)

**Trustee**

DEUTSCHE TRUSTEE MALAYSIA BERHAD

200701005591 (763590-H)

OPUS SRI SUKUK FUND IS A QUALIFIED SUSTAINABLE AND RESPONSIBLE INVESTMENT (SRI) FUND UNDER THE GUIDELINES ON SUSTAINABLE AND RESPONSIBLE INVESTMENT FUNDS.

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

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

## **Responsibility Statement**

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

## **Statements of Disclaimer**

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

The Securities Commission Malaysia will not be liable for any non-disclosure on the part of Opus Asset Management Sdn Bhd and takes no responsibility for the contents in this Information Memorandum, makes no representation as to its accuracy or completeness, and expressly disclaims any liability whatsoever for any loss howsoever arising from, or in reliance upon the whole or any part of 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 Information Memorandum that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Information Memorandum or the conduct of any other person in relation to the Opus SRI Sukuk Fund.

If some of the underlying investments of Opus SRI Sukuk Fund are not actively traded, investors are warned that under such circumstances, they may face difficulty in redeeming their investments.

Opus SRI Sukuk Fund has been certified as Shariah-compliant by the Shariah adviser appointed for the Fund.

This Information Memorandum is not intended to and will not be issued and distributed in any country or jurisdiction other than Malaysia ("Foreign Jurisdiction"). Consequently, no representation has been and will be made as to its compliance with the laws of any Foreign Jurisdiction.

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## 1. GLOSSARY

<b>“Base Currency”</b>	: means the base currency of the Fund which is RM.
<b>“BNM”</b>	: means Bank Negara Malaysia.
<b>“Bursa Malaysia”</b>	: means the stock exchange managed and operated by Bursa Malaysia Securities Berhad including such other name as it may be amended from time to time.
<b>“Business Day”</b>	: means a day (excluding Saturdays, Sundays and public holidays in Malaysia) on which banks in Kuala Lumpur are open for business and a day on which Bursa Malaysia is open for trading.
<b>“CMSA”</b>	: means the Capital Markets and Services Act 2007 as may be amended from time to time.
<b>“Class”</b>	: means any class of Units in the Fund representing similar interest in the assets of the Fund and a “Class” means any one class of Units.
<b>“Class A and Class B”</b>	: represents the Classes denominated in RM with different rate of annual management fee and minimum transaction amount for each Class. For the avoidance of doubt, any reference to Class A or Class B individually shall be construed accordingly to have the same meaning.
<b>“Deed”</b>	: means the deed dated 6 August 2021 and any other supplemental deed that may be entered into between the Trustee and us in respect of the Fund.
<b>“financial institution”</b>	: means: (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.
<b>“Fund”</b>	: means Opus SRI Sukuk Fund.
<b>“Guidelines”</b>	: means the <i>Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework</i> issued by the SC as may be revised, updated or amended from time to time.
<b>“Information Memorandum”</b>	: means this document in relation to the Fund which is lodged with the SC.
<b>“Islamic deposit(s)”</b>	: has the same meaning as prescribed under the Islamic Financial Services Act 2013.
<b>“licensed bank”</b>	: has the same meaning as prescribed under the Financial Services Act 2013.
<b>“licensed investment bank”</b>	: has the same meaning as prescribed under the Financial Services Act 2013.
<b>“licensed Islamic bank”</b>	: has the same meaning as prescribed under the Islamic Financial Services Act 2013.

- “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.
- “RAM”** : means RAM Rating Services Berhad.
- “Repurchase Charge”** : means a fee payable pursuant to a repurchase request.
- “RM”** : means Ringgit Malaysia, the official currency of Malaysia.
- “SAC of BNM”** : means Shariah Advisory Council of BNM.
- “SAC of the SC”** : means Shariah Advisory Council of the SC.
- “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.
- “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.
- “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.

**Sophisticated Investor(s)** means:

<b>High Net-Worth Individual</b>	(a) An individual whose total net personal assets, or total net joint assets with his or her spouse, exceeding RM3 million or its equivalent in foreign currencies, excluding the value of the individual’s primary residence.
	(b) An individual who has a gross annual income exceeding RM300,000 or its equivalent in foreign currencies in the preceding 12 months.
	(c) An individual who, jointly with his or her spouse, has a gross annual income exceeding RM400,000 or its equivalent in foreign currencies in the preceding 12 months.

	months.
	(d) an individual whose total net personal investment portfolio or total net joint investment portfolio with his or her spouse, in any capital market products exceeding RM1 million or its equivalent in foreign currencies.
<b>High Net-Worth Entity</b>	a) A company that is registered as a trust company under the Trust Companies Act 1949 and has assets under its management exceeding RM10 million or its equivalent in foreign currencies.
	b) A corporation that: <ul style="list-style-type: none"> <li>(i) is a public company under the Companies Act 2016 which is approved by the SC to be a trustee under the CMSA and has assets under its management exceeding RM10 million or its equivalent in foreign currencies; or</li> <li>(ii) is carrying on the regulated activity of fund management solely for the benefit of its related corporations and has asset under its management exceeding RM10 million or its equivalent in foreign currencies.</li> </ul>
	c) A corporation with total net assets exceeding RM10 million or its equivalent in foreign currencies based on the last audited accounts.
	d) A partnership with total net assets exceeding RM10 million or its equivalent in foreign currencies.
	e) A pension fund approved by the Director General of Inland Revenue under the Income Tax Act 1967.
	f) A statutory body established under any laws unless otherwise determined by the SC.
<b>Accredited Investor</b>	a) A unit trust scheme, private retirement scheme or prescribed investment scheme.
	b) Central Bank of Malaysia.
	c) A licensed person or a registered person.
	d) An exchange holding company, a stock exchange, a derivative exchange, an approved clearing house, a central depository or a recognised market operator.
	e) A corporation that is licensed, registered or approved to carry on any regulated activity or capital market services by an authority in Labuan or outside Malaysia which exercises functions corresponding to the functions of the SC.

	f) A bank licensee or an insurance licensee as defined under the Labuan Financial Services and Securities Act 2010.
	g) An Islamic bank licensee or a takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010.
	h) A chief executive officer or a director of any person referred to in paragraphs (c) to (g) under “Accredited Investor”.
	i) A closed-end fund approved by the SC.

- “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.
- “SRI”** : means sustainable and responsible investment.
- “SRI Sukuk”** : means RM-denominated SRI sukuk issued by corporate entities or financial institutions under the Guidelines and/or issued or guaranteed by the Malaysian government, BNM, government-related entities and/or quasi-government related entities. The SRI Sukuk may be listed, unlisted, rated, unrated, convertible, perpetual or callable sukuk.
- “Trustee”** : refers to Deutsche Trustees Malaysia 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](http://www.opusasset.com)

### THE TRUSTEE

NAME : Deutsche Trustees Malaysia Berhad  
REGISTRATION NO. : 200701005591 (763590-H)  
REGISTERED OFFICE AND : Level 20, Menara IMC  
BUSINESS ADDRESS : No. 8, Jalan Sultan Ismail  
50250 Kuala Lumpur  
TELEPHONE NO. : 603-2053 7522

### THE SHARIAH ADVISER

NAME : Tawafuq Consultancy Sdn Bhd  
REGISTRATION NO. : 201501036171 (1161491-M)  
REGISTERED OFFICE AND : No 6-2F Pinggiran Mutiara Utama  
BUSINESS OFFICE : Taman Mutiara Gombak 2  
53100 Kuala Lumpur  
TELEPHONE NO. : 03-6178 7985  
FAX NO. : 03-6178 3304  
WEBSITE ADDRESS : [www.tawafuqconsultancy.com](http://www.tawafuqconsultancy.com)  
EMAIL : [office@tawafuqconsultancy.com](mailto:office@tawafuqconsultancy.com)



### 3. THE FUND

#### 3.1 FUND INFORMATION

<b>Name of the Fund</b>	Opus SRI Sukuk Fund					
<b>Base Currency</b>	RM					
<b>Fund Category</b>	Sukuk					
<b>Fund Type</b>	Income					
<b>Initial Offer Price</b>	<table border="1"><thead><tr><th><b>Class A</b></th><th><b>Class B</b></th></tr></thead><tbody><tr><td>RM1.00</td><td>RM1.00</td></tr></tbody></table>	<b>Class A</b>	<b>Class B</b>	RM1.00	RM1.00	
<b>Class A</b>	<b>Class B</b>					
RM1.00	RM1.00					
<b>Initial Offer Period</b>	21 days from the date of this Information Memorandum (inclusive).  The initial offer period may be shortened if we determine that it is in your best interest.					
<b>Investor's Profile</b>	The Fund is suitable for Sophisticated Investors who: <ul style="list-style-type: none"><li>▪ have medium to long term* investment horizon;</li><li>▪ have low to medium risk tolerance; and</li><li>▪ seek regular income that complies with SRI and Shariah principles.</li></ul> <p>* <i>We consider 3 to 5 years as medium-term and more than 5 years as long-term.</i></p>					
<b>Investment Objective</b>	The Fund aims to achieve higher return than the benchmark over medium to long-term*, while preserving capital** and providing an opportunity for income by investing in a portfolio of SRI Sukuk.  <i>Notes:</i> * <i>We consider 3 to 5 years as medium-term and more than 5 years as long-term.</i> ** <i>The Fund is neither a capital guaranteed fund nor a capital protected fund.</i>					
<b>Investment Strategy</b>	The Fund seeks to achieve its objective by investing a minimum of 60% of its NAV in SRI Sukuk.  For rated SRI Sukuk, we will invest in SRI Sukuk which have a minimum credit rating of at least AA3 or P1 by RAM (or equivalent rating by MARC or by any other reputable credit rating agency) at the time of purchase. In the event of a credit downgrade, we reserve the right to deal with the SRI Sukuk in the best interests of Unit Holders.  For the purpose of liquidity management, we will allocate up to 40% of the Fund's NAV in cash and liquid assets.  The Fund's overall investment maturity profile is subject to active maturity structure management based on the profit rate outlook without any portfolio maturity limitation. The Fund may invest in SRI Sukuk with varying maturities.					

## **Sustainable and Responsible Investment Strategy**

We shall employ a negative screening strategy when identifying investment opportunities for the Fund's investments in SRI Sukuk. We will apply the negative-filter screening process to exclude sukuk that are not issued as SRI sukuk under the Guidelines in the selection, retention and realisation of the Fund's investments. In respect of the SRI sukuk issued or guaranteed by the Malaysian government, BNM, government-related entities and/or quasi-government related entities, we will adopt the screening and methodology adopted by the Government of Malaysia in the issuance of such SRI sukuk.

We will evaluate the Fund's investments on a quarterly basis to ensure that the investments of the Fund comply with the Guidelines and the overall impact of the investments of the Fund is not inconsistent with any other sustainability considerations. If the Fund's investment no longer complies with the Guidelines and/or become inconsistent with the investment policy and strategy of the Fund, we shall dispose of the investment if the value of the investment exceeds or is equal to the investment cost. The Fund is allowed to hold the investment if the value of the investment is below the investment cost. The Fund is also permitted to retain the profit received during the holding period until such time when the market value of the investment held is equal to the investment cost.

However, the negative screening strategy will not apply to the remaining portion of the Fund's NAV (i.e., up to 40% of the Fund's NAV) which are held for the purpose of liquidity management.

### **Temporary Defensive Position**

We may take temporary defensive positions that may be inconsistent with the Fund's investment strategy in attempting to respond to certain adverse conditions which include but not limited to adverse market, economic and political conditions, insufficient funds to form an efficient portfolio, periods of high repurchases or any other adverse conditions in order to preserve the NAV of the Fund. By taking a temporary defensive position, we will reduce the Fund's investment exposure in RM-denominated SRI Sukuk and hold more cash. The cash will be placed in Islamic deposits with financial institutions to reduce the exposure during market downturn and to help preserve the Fund's capital and mitigate losses.

We are allowed to implement temporary defensive positions up to a maximum of 3 months from the date the temporary defensive positions is implemented.

### **Asset Allocation**

<b>Asset Class</b>	<b>% of Fund's NAV</b>
SRI Sukuk	Minimum 60%
Cash and liquid assets*	Up to 40%

*\* Liquid assets comprise of Islamic money market instruments and Islamic deposits.*

### **Benchmark**

Maybank 12-month Islamic fixed deposit rate

*Source: Malayan Banking Berhad*

<b>Financial Year End</b>	<p>30 September</p> <p>The first financial year of the Fund shall commence on the launch date of the Fund and end on a date which shall not exceed 18 months from the launch date of the Fund .</p> <p><i>Note: The launch date of the Fund is the date on which sale of Units of the Fund may first be made.</i></p>
<b>Deed</b>	<p>6 August 2021</p>
<b>Permitted Investments</b>	<p>The Fund may invest in the following:</p> <ul style="list-style-type: none"> <li>• SRI Sukuk;</li> <li>• Islamic money market instruments;</li> <li>• Islamic deposits; and</li> <li>• Any other form Shariah-compliant investments as may be permitted by the SC or the Shariah Adviser and as may be agreed between the Manager and the Trustee from time to time.</li> </ul>
<b>Investment Restrictions and Limits</b>	<p>The Fund will be managed in accordance with the following investment restrictions and limits:</p> <ul style="list-style-type: none"> <li>• The minimum credit rating for long-term (i.e. tenure which exceeds one year) SRI Sukuk and short-term (i.e. tenure which is less than one year) SRI Sukuk shall be at least AA3 or P1 by RAM (or equivalent rating by MARC or by any other reputable credit rating agency) at the time of purchase.</li> <li>• Unrated SRI Sukuk are not allowed except for SRI sukuk issued or guaranteed by the Malaysian government, BNM, any other government related and quasi-government bodies and financial institutions.</li> <li>• If the NAV of the Fund is RM30 million and below, there will not be any single issuer or group issuer limit employed.</li> <li>• If the NAV of the Fund is above RM30 million, the following limits will apply: <ul style="list-style-type: none"> <li>(a) Investment in any SRI Sukuk issued by any single issuer shall not exceed 30% of the NAV of the Fund at the time of purchase, except for (b) below; and</li> <li>(b) There is no single issuer limit for SRI sukuk issued by the Malaysian government or guaranteed by the Malaysian government, BNM, government related entities and/or quasi-government related entities.</li> </ul> </li> <li>• The Fund’s investments shall not be leveraged, i.e. no borrowing is allowed.</li> </ul>
<b>Shariah Investment Guidelines</b>	<p>Tawafuq adopts the following methodologies in determining the Shariah status of investments of the Fund:</p> <p><u>SRI Sukuk and Islamic money market instruments</u></p> <p>Investment in SRI Sukuk and / or Islamic money market instruments will be verified against the data available at “Bond Info Hub” (<a href="http://www.bondinfo.bnm.gov.my">www.bondinfo.bnm.gov.my</a>); and/or “Fully Automated System For Issuing/Tendering” (<a href="https://fast.bnm.gov.my">https://fast.bnm.gov.my</a>).</p>

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.

**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), it is to be channelled to baitulmal 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.

**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 the SC and where applicable, the SAC of BNM. For instruments that are not classified as Shariah-compliant by the SAC of the SC and where applicable, the SAC of BNM, the status of the instruments has been determined in accordance with the ruling issued by the Shariah Adviser.**

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

**3.2 FEES AND CHARGES**

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

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

	<b>Class A</b>	<b>Class B</b>
<b>Sales Charge</b>	Up to 2.00% of the NAV per Unit.	
<b>Repurchase Charge</b>	Nil	
<b>Switching Fee</b>	Nil	
<b>Transfer Fee</b>	Nil	
<b>Other Charges</b>	All charges, for instance bank charges (including, but not limited to Financial Process Exchange ("FPX") and direct debit), telegraphic	

transfer charges and courier charges in connection with the execution of transactions on behalf of the investor shall be borne by the investor.

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

	<b>Class A</b>	<b>Class B</b>
<b>Annual Management Fee</b>	Up to 0.80% per annum of the NAV of the Class	Up to 0.60% per annum of the NAV of the Class
	The annual management fee is calculated and accrued on a daily basis and payable to us on a monthly basis.	
<b>Annual Trustee Fee</b>	Up to 0.03% 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 to the Trustee on a monthly basis.	
<b>List of Expenses related to the Fund</b>	<ul style="list-style-type: none"> <li>▪ Auditors' fee and charges;</li> <li>▪ Tax adviser's fee and charges;</li> <li>▪ Shariah adviser's fee and charges;</li> <li>▪ Taxes and duties charged by the government and/or relevant authorities;</li> <li>▪ Fees incurred for the valuation of any investment of the Fund by independent valuers for the benefit of the Fund;</li> <li>▪ Fees, charges, costs and expenses relating to the preparation, printing, posting and lodgment of documents and reports which the Manager and/or the Trustee may be obliged to prepare, print, post and/or lodge in relation to the Fund by virtue of any relevant law;</li> <li>▪ Any tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred by the Fund; and</li> <li>▪ Any other charges permitted by the Deed.</li> </ul>	
<b>Rebates and Soft Commission</b>	<p>We, our delegate, the Trustee or the Trustee's delegate will not retain any rebate from, or otherwise share in any commission with, any broker or dealer in consideration for directing dealings in the Fund's assets. Any rebate or shared commission will be directed to the account of the Fund.</p> <p>However, soft commissions may be retained by us if:</p> <ul style="list-style-type: none"> <li>(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; and</li> <li>(ii) any dealing by the broker or dealer is executed on terms which are the most favourable for the Fund.</li> </ul>	
<b>Manager's Rights</b>	We may, for any reason and at any time, reduce or waive the amount of any fees (except for the trustee fee) or other charges payable by the Unit Holder in respect of the Fund, either generally (for all Unit Holders) or specifically (for any particular Unit Holder) and for any period of time at our absolute discretion.	

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

### 3.3 TRANSACTION DETAILS

<b>Minimum Initial Investment<sup>^</sup></b>	<b>Class A</b>	<b>Class B</b>
	RM50,000	RM500,000
<b>Minimum Additional Investment<sup>^</sup></b>	<b>Class A</b>	<b>Class B</b>
	RM10,000	RM10,000
<b>Minimum Units for Repurchase<sup>^</sup></b>	<b>Class A</b>	<b>Class B</b>
	10,000 Units	10,000 Units
<b>Minimum Holdings to Maintain an Account<sup>^</sup></b>	<b>Class A</b>	<b>Class B</b>
	50,000 Units	500,000 Units

*Note: If a repurchase request results in you holding less than the applicable minimum holdings requirements of the Fund, we have the discretion to repurchase all the remaining Units held by you in the Fund and pay the repurchase proceeds to you.*

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

<b>Subscription of Units</b>	<p>You may subscribe for Units of the Fund by submitting to us an application form or an electronic application form on any Business Day.</p> <p>Any completed application for subscription together with the relevant supporting document and cleared funds received by us on or before 4.00 p.m. on a Business Day will be processed on that 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.</p> <p>Any completed application for subscription received after 4.00 p.m. will be treated as having been received by us on the following Business Day.</p> <p>A confirmation statement detailing your investment amount and the number of Units allocated to you in the Fund will be sent to you within ten (10) Business Days from the date of issuance of such Units.</p> <p>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.</p>
<b>Redemption of Units</b>	<p>You may redeem Units of the Fund by submitting to us a completed repurchase form on any Business Day.</p> <p>Any completed repurchase form received by us on or before 4.00 p.m. on a Business Day will be processed on the same Business Day ("Repurchase Processing Date") and Units will be repurchased based on the NAV per Unit of the Fund calculated on the 5<sup>th</sup> Business Day from the Repurchase Processing Date ("Date of Repurchase").</p> <p>Any completed repurchase form received after 4.00 p.m. will be treated as having been received by us on the following Business Day.</p> <p>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. Once the repurchase requests are duly received</p>

and accepted by the Manager, such repurchase requests are irrevocable unless otherwise allowed by the Manager.

The repurchase proceeds shall be paid within 10 Business Days from the Date of Repurchase.

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.

### **Switching of Units**

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

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

When switching out from a Class in the Fund, you must switch out a minimum of 10,000 Units (for both Class A and Class B) or such other lower number of Units 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.

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.

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.

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

### **Transfer of Units**

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

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

The application to transfer must be made in terms of Units and not in RM value. You must transfer a minimum of 10,000 Units (for both Class A and Class B) or such other lower number of Units 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.

### 3.4 DISTRIBUTION POLICY

**Distribution Policy**

The Fund intends to distribute income, if any, at least once a year on best effort basis. However, we reserve the right not to distribute income at our sole and absolute discretion.

**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.



## **4. RISK FACTORS**

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

#### **Market risk**

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

#### **Fund management risk**

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

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

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

#### **Inflation risk**

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

#### **Operational risk**

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

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

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

Credit risk relates to the creditworthiness of the issuers of the SRI Sukuk and their expected ability to make timely payment of profit and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the SRI Sukuk. In the case of rated SRI Sukuk, this may lead to a credit downgrade. Default risk relates to the risk that an issuer of a SRI Sukuk either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the SRI Sukuk. This could adversely affect the value of the Fund.

**Interest rate risk**

Interest rate risk refers to the impact of interest rate changes on the valuation of the SRI Sukuk and Islamic money market instruments. When interest rate rise, the pricing of SRI Sukuk and Islamic money market instruments prices may decline and lower the market value of the Fund's investment in SRI Sukuk and Islamic money market instruments. The reverse may apply when interest rates fall. In order to mitigate interest rate risk, we will manage the SRI Sukuk and Islamic money market instruments taking into account the profit rate and time to maturity of the SRI Sukuk and Islamic money market instruments.

*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.*

**Liquidity risk**

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

**Counterparty risk**

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

**Concentration Risk**

The Fund is susceptible to concentration risk. As the Fund is not subject to any limit or restriction for its placement in Islamic deposits with any single financial institution, there is a possibility that the Fund may be exposed to a single financial institution. The concentration risk is managed through the monitoring of credit analysis conducted on the financial institutions.

**SRI non-compliance risk**

There is a risk that the Fund may suffer losses when we have to dispose of any investments of the Fund to rectify any SRI non-compliance. If this occurs, the value of the Fund may be adversely affected. This risk is, however, mitigated as the Fund is allowed to continue holding on to such SRI non-compliant investment if the value of the SRI non-compliant investment is below the investment cost and to retain the profit received during the holding period until such time when the market value of the SRI non-compliant investment held is equal to the investment cost.

**Shariah non-compliance risk**

There is a risk that the Fund may suffer losses when we have to dispose of 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 3.1 of this Information Memorandum.

**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.**

## 5. TRANSACTION INFORMATION

### 5.1 COMPUTATION OF NAV AND NAV PER UNIT

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

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

	<b>Fund (RM)</b>	<b>Class A (RM)</b>	<b>Class B (RM)</b>
Value of the Fund/Class	100,000,000.00	50,000,000.00	50,000,000.00
<b>Multi-class ratio<sup>^</sup></b>	<b>100%</b>	<b>50%</b>	<b>50%</b>
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 0.80% / 365 days)	(50,050,000 x 0.60% / 365 days)
	1,919.73	1,096.99	822.74
Less: Trustee fee for the day		(50,050,000 x 0.03% / 365 days)	(50,050,000 x 0.03% / 365 days)
	82.28	41.14	41.14
<b>Total NAV (RM)</b>	<b>100,097,997.99</b>	<b>50,048,861.87</b>	<b>50,049,136.12</b>

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

#### NAV per Unit

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

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

	<b>Fund (RM)</b>	<b>Class A (RM)</b>	<b>Class B (RM)</b>
NAV	100,097,997.99	50,048,861.87	50,049,136.12
Divide: Units in circulation	100,000,000	50,000,000	50,000,000
NAV per Unit of the Classes (RM)		RM1.0010	RM1.0010

## 5.2 PRICING OF UNITS

### 5.2.1 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.

### 5.2.2 Valuation of the Assets of the Fund

<b>Listed SRI Sukuk</b>	Last done market price at the close of the exchange if reliable sources are available, otherwise we will decide on the valuation on best effort basis.
<b>Unlisted SRI Sukuk denominated in Ringgit Malaysia</b>	Price quoted by a bond pricing agency (“BPA”) registered by the SC.  Where we are of the view that the price quoted by BPA for a specific unlisted SRI Sukuk differs from the “market price” by more than 20 basis points, we may use the “market price”, provided that we:  (a) record our basis for using a non-BPA price; (b) obtain necessary internal approvals to use the non-BPA price; and (c) keep an audit trail of all decisions and basis for adopting the “market yield”.
<b>Islamic money market instruments</b>	Islamic money market instruments will be valued based on price quoted by BPA registered by the SC. Where the price of the Islamic money market instruments are not available at the BPA, such Islamic money market instruments will be valued based on accretion method using yield or discount rate at cost.
<b>Islamic deposits</b>	Islamic deposits will be valued each day by reference to the principal value and the accrued profit thereon for the relevant period.
<b>Any other Shariah-compliant investment</b>	Fair value as determined in good faith by us on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

### 5.2.3 Valuation of the Fund

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

## 5.3 OTHER INFORMATION

### 5.3.1 How to Keep Abreast of Development in the Fund

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

We will provide you with an annual report and a quarterly 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 quarterly 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.

### **5.3.2 Avenue for Advice**

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

### **5.3.3 Unclaimed Money 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.

### **5.3.4 Modification to the Information Memorandum**

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

## **6. THE MANAGER**

### **6.1 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.

### **6.2 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.

### **6.3 KEY MANAGEMENT**

#### **Mr. Siaw Wei Tang, Managing Director**

Mr. Siaw is one of the founders of OpusAM and is currently holding the position of Managing Director and Chief Investment Officer in the company. He is also a Non-independent Non-executive Director of Abbas Investment Management Sdn Bhd (formerly known as Abbas IM Sdn Bhd), a wholly-owned subsidiary of OpusAM. He started his career as a Risk Manager and Actuarial Consultant at NMG Risk Managers & Actuaries Sdn Bhd. He then joined Gadek Asset Management (later renamed Phileo Asset Management) in 1996 as the Portfolio Manager in charge of fixed income where he grew the fixed income portfolio under management to RM430 million over a four year period.

Later, he joined Hong Leong Group Asset Management in 2000 where he was responsible for over RM1 billion of funds under management and a team of seven investment professionals. He was later promoted to General Manager, Investment/Chief Investment Officer of Hong Leong Assurance Bhd ("HLA") in 2002 where he was responsible for approximately RM3 billion (of which approximately RM2 billion was in fixed income securities) of HLA's investment portfolio.

Mr. Siaw holds an MSc degree in International Banking & Financial Studies from the University of Southampton, UK; a BSc (Honours) degree in Actuarial Mathematics & Statistics from Heriot-Watt University, Edinburgh and a Capital Markets Services Representative's Licence.

### **6.4 THE DESIGNATED FUND MANAGER**

#### **Ms. Ng Lee Peng, Head of Investment**

Ms. Ng joined OpusAM in 2006, to head and set up the investment department. She has helped to build the investment team which consists of fund management, research and analytics. As the Head of Investment, she oversees the daily investment decisions by a team of portfolio managers and ensures that the funds are managed in accordance to the strategy decided by

the investment team together with the Chief Investment Officer. She also oversees the research team and currently sits in company credit group.

Ms Ng started her career as a banker, specializing in credit. She spent a total of 7 years in banking, analyzing credits of companies and structuring of loans and credit facilities. Besides marketing and credit proposals, she was responsible for the evaluation of credit reports submitted by various branches for recommendation to the Credit Committee. Her career in investment started when she joined the Investment Department of Hong Leong Assurance Bhd in 1999. With her credit background, she was in charge of the fixed income portfolio which grew from less than RM500 million 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 Practising Accountant under the Australian Society of CPAs (“ASCPA”). She holds a Capital Markets Services Representative’s License.

## **6.5 EXTERNAL INVESTMENT MANAGER**

The Manager has appointed Abbas Investment Management Sdn Bhd (formerly known as Abbas IM Sdn Bhd) (“AIM”) as the external investment manager for the Fund. AIM is regulated by the SC and is licensed to conduct Islamic fund management services. AIM is a wholly owned subsidiary of OpusAM, the specialist in fixed income investment. AIM is following the footsteps of its parent company by specialising in sukuk and sustainable investing. The group has a collective track record of over 15 years in the fund management industry.

The role and responsibilities of AIM include management of the investment portfolio of the Fund in accordance with the investment objective and subject to the CMSA and the Guidelines as well as the terms and conditions of the investment management agreement between AIM and the Manager.

### **Designated External Fund Manager**

#### **Ahmad Fuad Alhabshi Chief Executive Officer**

En. Fuad has held the post of Chief Executive Officer in AIM since November 2020 and was instrumental in setting up the firm. He has over 12 years’ experience in portfolio management, credit analysis, product development, and analytics during his time with OpusAM, where he started his career. 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](http://www.opusasset.com) FOR FURTHER INFORMATION ON THE MANAGER, EXTERNAL INVESTMENT MANAGER AND SHARIAH ADVISER.**

## **7. THE TRUSTEE**

### **7.1 BACKGROUND OF THE TRUSTEE**

Deutsche Trustees Malaysia Berhad (“DTMB”) was incorporated in Malaysia on 22 February 2007 and commenced business in May 2007. The company is registered as a trust company under the Trust Companies Act 1949, with its business address at Level 20, Menara IMC, 8 Jalan Sultan Ismail, 50250 Kuala Lumpur.

DTMB is a member of Deutsche Bank Group (“Deutsche Bank”). Deutsche Bank provides commercial and investment banking, retail banking, transaction banking and asset and wealth management products and services to corporations, governments, institutional investors, small and medium-sized businesses, and private individuals.

### **7.2 EXPERIENCE IN TRUSTEE BUSINESS**

DTMB is part of Deutsche Bank’s Securities Services, which provides trust, custody and related services on a range of securities and financial structures. As at 30 September 2021, DTMB is the trustee for one hundred ninety nine (199) collective investment schemes including unit trust funds, wholesale funds, exchange-traded funds and private retirement schemes.

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

### **7.3 TRUSTEE’S ROLES, DUTIES AND RESPONSIBILITIES**

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

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

### **7.4 TRUSTEE’S DISCLOSURE OF MATERIAL LITIGATION AND ARBITRATION**

As at 30 September 2021, the Trustee is not engaged in any material litigation and arbitration, including those pending or threatened, and the Trustee is not aware of any facts likely to give rise to any proceedings which might materially affect the business or financial position of the Trustee.

### **7.5 TRUSTEE’S DELEGATE**

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



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

## **8. 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.

### **8.1 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 Malaysia ("SC"), 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.

### **8.2 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 Information Memorandum, 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 quarterly 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.

### **8.3 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)

A Chartered Professional in Islamic Finance (CPIF), Aiman holds a MSc in Islamic Finance from INCEIF, Malaysia, Bachelor of Laws (Honours) and Bachelor of Laws (Shariah)(Honours) both from the International Islamic University Malaysia (IIUM) respectively. As a Director/Principal Consultant at Tawafuq Consultancy Sdn Bhd and a partner at Messrs. Mu'az Aiman Halem Auzan & Associates (MAHA Lawyers), his main practice areas include legal and Shariah advisory for corporate finance/banking, equity market, Islamic real estate investment trust (i-REIT), fintech, corporate-commercial, and real estate.

Apart from being the founding Deputy President of Malaysia Young Shariah Scholars Association (MySSA), he currently is also 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). As a Shariah-qualified personnel for two registered Shariah advisers approved by the SC, namely Tawafuq Consultancy Sdn. Bhd. and MAHA Shariah Advisory Sdn. Bhd., and an accredited trainer with the Islamic Banking & Finance Institute of Malaysia (IBFIM), he regularly delivers Islamic Finance talks and trainings and has completed the prestigious "i-Advisor program" organized by the SC.

Prior to his recommencement of legal practice, 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.

Most of his exposure be it with the legal fraternity or the banking sector are closely related to the Islamic finance industry. His main practice areas include corporate finance/banking, equity market, Islamic real estate investment trust (i-REIT), Islamic securities, retail & commercial

banking where he advises corporations (including listed companies), investment banks and financial institutions, commercial and development financial institutions and individuals on matters ranging from issuance of sukuk, to development of retail, trade or investment banking products.

**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 Bank Muamalat 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.

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

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

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

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

A Unit Holder has the right, amongst others:

- (a) to receive distribution of income, if any, of the Fund;
- (b) to participate in any increase in the value of the Units;
- (c) to call for Unit Holders' meetings and to vote for the removal of the Trustee or the Manager through Special Resolution;
- (d) to exercise cooling-off rights (if applicable);
- (e) to receive annual and quarterly 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.

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

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

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

#### **Termination of the Fund**

The Fund may be terminated or wound up should a Special Resolution is passed at a Unit Holders' meeting to terminate or wind up the Fund.

The Manager shall be entitled to terminate the Fund and/or a Class, as the case may be, upon the occurrence of any of the following events:

- (a) if the Fund is left with no Unit Holders;
- (b) if in the reasonable opinion of the Manager it is impracticable or inadvisable to continue the Fund and/or a Class.

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

### Related Party Transaction

#### The Manager

As at 30 September 2021, we are not aware of any existing related party transactions or conflict of interest situations involving the Fund.

#### Deutsche Trustees Malaysia Berhad

As the trustee for the Fund and the Manager's delegate for the fund accounting and valuation services, there may be related party transactions involving or in connection with the Fund in the following events:

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

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

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

#### Policy on dealing with conflict of interest

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

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

#### Cross Trade Policy

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

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

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



## 11. TAX ADVISER'S LETTER



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Date: 30 September 2021

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

Dear Sirs

### **OPUS SRI SUKUK FUND TAXATION OF THE FUND AND UNIT HOLDERS**

This letter has been prepared for the inclusion in the Information Memorandum in connection with the offer of units in the wholesale fund known as the Opus SRI Sukuk 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 Unlisted Capital Market Products under the Lodge and Launch Framework* 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 ("MITA"). 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 Deutsche Trustees Malaysia 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.

Crowe Malaysia P.L.T is a member of Crowe Global, a Swiss Verein. Each member firm of Crowe Global is a separate and independent legal entity. Crowe Malaysia P.L.T and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Crowe Malaysia P.L.T.

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 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 4<sup>th</sup> year from the date of acquisition of the chargeable assets are subject to RPGT at the rate of 20%;

- (c) Gains arising from disposals made between the 5<sup>th</sup> year from the date of acquisition of the chargeable assets are subject to RPGT at the rate of 15%; 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”)**

Pursuant to the Sales Tax Act 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. On the other hand, pursuant to the Service Tax Act 2018, service tax 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 business income 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**

A handwritten signature in black ink, appearing to read "Foo Meng Huei".

**Foo Meng Huei**  
*Executive Director, Tax*

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