

FIRST SUPPLEMENTARY INFORMATION MEMORANDUM OF TA FLEXIBLE ASIAN BOND FUND

This First Supplementary Information Memorandum of TA Flexible Asian Bond Fund dated 15 January 2021 (“First Supplementary Information Memorandum”) must be read together with the Information Memorandum of TA Flexible Asian Bond Fund dated 17 March 2020 (“Information Memorandum”).

Manager : **TA Investment Management Berhad** (Registration Number: 199501011387 (340588-T))

Trustee : **CIMB Commerce Trustee Berhad** (Registration Number: 199401027349 (313031-A))

The date of constitution of the TA Flexible Asian Bond Fund is 5 March 2020.

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

THIS FIRST SUPPLEMENTARY INFORMATION MEMORANDUM DATED 15 JANUARY 2021 MUST BE READ TOGETHER WITH THE INFORMATION MEMORANDUM DATED 17 MARCH 2020 IN RESPECT OF THE TA FLEXIBLE ASIAN BOND FUND

Responsibility Statements

This First Supplementary Information Memorandum has been reviewed and approved by the directors of TA Investment Management Berhad 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 First Supplementary Information Memorandum false or misleading.

Statements of Disclaimer

The Securities Commission Malaysia is not liable for any non-disclosure on the part of TA Investment Management Berhad, the management company responsible for the Fund and takes no responsibility for the contents in this First Supplementary Information Memorandum. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this First Supplementary Information Memorandum, 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 First Supplementary 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 First Supplementary Information Memorandum or the conduct of any other person in relation to the Fund.

This First Supplementary Information Memorandum does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

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

Additional Disclosures on Personal Information

Investors are advised to read and understand the full personal data or information related disclosures which will be given to you together with the application form before purchasing Units of the Fund. The said disclosures consist of, but is not limited to, TA Investment Management Berhad being entitled to transfer, release or disclose from time to time any information relating to the Unit Holders to any of TA Investment Management Berhad's parent company, subsidiaries, associate companies, affiliates, delegates, service providers and/or agents (including any outsourcing agents and/or data processors) for any purpose on the basis that the recipients shall continue to maintain the confidentiality of information disclosed as required by laws, regulations or directives, regulatory agency, government body or authority, or in relation to any legal action to any court.

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Unless otherwise provided in this First Supplementary Information Memorandum, all the capitalised terms used herein shall have the same meanings ascribed to them in the Information Memorandum.

This First Supplementary Information Memorandum is issued to inform investors that:

- The definition of the “Target Fund’s Prospectus” has been updated.
- The information relating to the performance benchmark of the Fund has been updated.
- The information relating to the investment policy & strategy of the Target Fund has been updated.
- The information relating to the investment techniques and instruments of the Target Fund has been updated.
- The information relating to the net asset value determination of the Target Fund has been updated.
- The information relating to the fee chargeable by the Target Fund has been updated.
- The information relating to the business centres of the Manager has been updated.

A. Amendment to “Definition” on page 6 of the Information Memorandum

The definition of the “Target Fund’s Prospectus” is hereby deleted and replaced with the following:

Target Fund’s Prospectus	The prospectus of the Target Fund dated September 2020 and as may be amended from time to time.
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B. Amendment to “Chapter 1 – The Fund” on page 9 of the Information Memorandum

The information relating to the performance benchmark of the Fund is hereby deleted and replaced with the following:-

FUND INFORMATION	
Performance Benchmark	JP Morgan Asia Credit Index Diversified*. <i>*Effective from 1 January 2021.</i>

C. Amendment to “Section 3.9 – Investment Policy & Strategy of the Target Fund” in Chapter 3 on page 23 of the Information Memorandum

The information relating to the “Investment Policy & Strategy of the Target Fund” is hereby deleted and replaced with the following:-

The Target Fund is actively managed and seeks to achieve a total return from income and capital appreciation by investing principally, either directly or indirectly through derivatives, in a portfolio of government and non-government fixed income and floating rate securities (including covered bonds, perpetual bonds, and callable and puttable bonds) that are either Investment Grade or below Investment Grade at the time of purchase, and when determined appropriate cash and Money Market Instruments. The Target Fund may also invest in asset-backed Transferable Securities (not exceeding 20% of the net asset value of the Target Fund), Contingent Convertible Bonds and preference shares. These securities will be denominated either in USD or in Asian currencies (with the exclusion of Japanese Yen) and issued or guaranteed by institutions and corporations having their head office in, or exercising the predominant part of their economic activity in Asia (with the exclusion of Japan). The Target Fund may also invest in currencies, including non-Asian currencies, either directly or indirectly through financial derivative instruments.

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Up to 20% of the Target Fund's net asset value may be invested in bonds traded on the China Interbank Bond Market using Bond Connect.

The Target Fund may use financial derivative instruments for investment and hedging purposes. These derivatives may include, but are not limited to, deliverable and non-deliverable forward foreign exchange contracts (relating to Asian and non-Asian currencies), futures and options on Transferable Securities, interest rate swaps and credit default swaps.

The Target Fund is actively managed in reference to the JP Morgan Asia Credit Index Diversified. The index is broadly representative of the securities in which the Target Fund invests, and provides a suitable target benchmark against which the Target Fund performance will be measured and evaluated over time. The Sub-Advisor has discretion to select investments with weightings different to the index, and that are not in the index, and the Target Fund may display significant divergence from the index.

Deviations from the index, including limits on the level of risk relative to the index, will be considered as part of the Sub-Advisor's risk monitoring process, to ensure the overall level of risk is broadly consistent with the index. In line with its active management strategy, there may be significant deviation from the index.

D. Amendment to "Section 3.11 – Investment Techniques and Instruments of the Target Fund" in Chapter 3 on page 33 of the Information Memorandum

The information relating to the "Methodology used to determine Global Exposure" is hereby deleted and replaced with the following:-

Methodology used to determine Global Exposure

The Target Fund may use financial derivative instruments for investment and hedging purposes, as more fully described in the investment policy of the Target Fund. The Target Fund may use Relative Value at Risk ("relative VaR") approach in order to calculate the Global Exposure of the Target Fund to financial derivative instruments.

The expected level of leverage are as following:

Sum of Notionals: 0-300%

Commitment Approach: 0-50%

The actual risks relating to the Target Fund and the use of financial derivative instruments by the Target Fund are not impacted by the leverage-calculation method used.

E. Amendment to "Section 3.12 – Net Asset Value Determination of the Target Fund" in Chapter 3 on page 35 of the Information Memorandum

The information relating to "Dilution Adjustment" of the Target Fund is hereby deleted and replaced with the following:-

Dilution Adjustment

The Target Fund may suffer reduction of the net asset value per share of the Target Fund due to dealing spreads, transaction costs and tax charges that arise when purchases and sales of underlying

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investments are undertaken by the Sub-Advisor to accommodate cash inflows and outflows; this is known as “dilution”. A dilution adjustment may be applied to protect the shareholders of the Target Fund by countering the impact of dilution (the “Dilution Adjustment”). If the net capital activity (including subscriptions, redemptions and conversions into the Target Fund) on a given valuation date exceeds the threshold set by the Management Company from time to time for the Target Fund, the net asset value of the Target Fund may be adjusted upwards or downwards to reflect the net inflows and net outflows respectively.

The net asset value per share of each share class of the Target Fund is calculated separately but any Dilution Adjustment will have an identical effect on the net asset value per share of each share class of the Target Fund. The amount of Dilution Adjustment will be set by the Management Company to reflect the estimated dealing spreads, transaction costs and tax charges that may be incurred by the Target Fund; these costs can vary with market conditions and the portfolio composition. The Dilution Adjustment may therefore be amended from time to time. Such Dilution Adjustments may vary from portfolio to portfolio of the SICAV and between daily net inflows and outflows but will not exceed 2% of the original net asset value per share of the Target Fund. A periodic review is undertaken in order to verify the appropriateness of the Dilution Adjustments being applied. In the usual course of business the application of Dilution Adjustment will be triggered mechanically and on a consistent basis, however the Management Company reserves the right to make a discretionary Dilution Adjustment if, in its opinion, it is in the interests of existing shareholders of the Target Fund to do so, including in the event of exceptional circumstances. Such exceptional circumstances include, but are not limited to, periods of elevated market volatility, and periods of depressed market liquidity.

Estimates of the amount of Dilution Adjustment based on securities held in the Target Fund and market conditions at the time of the Target Fund’s Prospectus as well as the number of occasions on which the Dilution Adjustment is applied will be published on the website www.columbiathreadneedle.com.

F. Amendment to “Section 3.13 – Fee Chargeable by the Target Fund” in Chapter 3 on page 36 of the Information Memorandum

The information relating to “Asset Management Fee (p.a.)” and “Operating Expenses” of the Target Fund are hereby deleted and replaced with the following:-

Asset Management Fee (p.a.)	0.90%
Operating Expenses ¹ (p.a.)	0.25%

¹Includes taxes, expenses for legal and auditing services, costs of printing proxies, stock certificates, Target Fund’s shareholders’ reports and notices, prospectuses and key investor information and other promotional expenses, fees and charges of the depositary and its correspondents, and of the domiciliary agent, administrative agent, registrar and transfer agent and of any paying agent, expenses of the issue and redemption of shares of the Target Fund, registration fees and expenses in various jurisdiction, listing fees, fees of unaffiliated directors of the SICAV, expenses of the directors and officers of the SICAV and the Sub-Advisor relating to attendance at meetings of the directors of the SICAV and of the shareholders of the Target Fund, translation costs, accounting and pricing costs (including the calculation of net asset value per share of the Target Fund), insurance, litigation and other extraordinary or non-recurring expenses, and all other expenses properly payable by the Target Fund. The operating expenses also include the service fee payable to the Management Company.

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G. Amendment to “Chapter 9 – List of TA Investment Management Berhad’s Office, Institutional Unit Trust Advisers and Authorised Distributors” on page 49 of the Information Memorandum

The information relating to the “Miri Business Centre” is hereby deleted and replaced with the following:-

Miri Business Centre

Lot 1251, 1st Floor,
Centrepoint Commercial Centre (Phase 1)
Jalan Melayu, 98000 Miri, Sarawak
Tel: 085-430 415

The information relating to the “Ipoh Business Centre” is hereby inserted as follows:-

Ipoh Business Centre

29A, Jalan Niaga Simee,
Arena Niaga Simee,
31400, Ipoh,
Perak