

# TA ALL CHINA EQUITY FUND



## INFORMATION MEMORANDUM

Manager : TA Investment Management Berhad (Company No. 340588-T)

Trustee : CIMB Commerce Trustee Berhad (Company No. 313031-A)

This Information Memorandum is dated 19 September 2018.

The date of constitution of the TA All China Equity Fund is 13 September 2018.

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

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 15.

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# RESPONSIBILITY STATEMENTS AND STATEMENTS OF DISCLAIMER

## Responsibility Statements

This 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 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 Information Memorandum. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this 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 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 Fund.

This 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.

## DEFINITION

Act	Capital Markets and Services Act 2007 as originally enacted and amended from time to time
All China or Greater China	The region comprised of the People's Republic of China, Hong Kong, Macau and Taiwan for the purposes of this Information Memorandum
AUD	Australian Dollar
AUD Hedged Class	The Class issued by the Fund denominated in AUD that aims to minimise the effect of exchange rate fluctuations between the base currency of the Fund and AUD
Business Day	A day on which Bursa Malaysia is open for trading or banks in Kuala Lumpur are open for business
Bursa Malaysia	The stock exchange managed and operated by Bursa Malaysia Securities Berhad
China / Mainland China / PRC	The People's Republic of China (excluding Hong Kong, Macau and Taiwan for the purposes of this Information Memorandum)
China A Shares	Renminbi-denominated "A" shares in mainland China-based companies that trade on Chinese stock exchanges such as the Shanghai Stock Exchange and the Shenzhen Stock Exchange
Chinese Company	Any company that is (i) listed or has its registered office in Greater China; (ii) listed or has its registered office outside of Greater China but carries out a significant proportion of its operations in Greater China or derives a material proportion of its revenues or profits from Greater China; and/or (iii) is controlled by an entity established in Greater China
Class	Any class of units representing similar interest in the assets of the Fund
Commencement Date	The next Business Day immediately following the end of the Initial Offer Period
CSSF	The Commission de Surveillance du Secteur Financier
Deed	The deed dated 13 September 2018 entered into between the Manager and the Trustee in respect of the Fund as may be modified from time to time
Depository	State Street Bank Luxembourg S.C.A.
EU	The European Union
Fund	TA All China Equity Fund
Group of Companies	Companies belonging to the same body of undertakings and which must draw up consolidated accounts in accordance with Council Directive 83/349/EEC of 13 June 1983 on consolidated accounts or according to recognised international accounting rules, as amended
Information Memorandum	The information memorandum in relation to the Fund
Initial Offer Period	21 calendar days from the Launch Date of the Class offered in this Information Memorandum. The Initial Offer Period may be shortened when

		we deem appropriate to enter into the market to capitalise on the prevailing yields and/or market condition
Initial Offer Price		The price payable by an applicant for a Unit during the Initial Offer Period
Investment Manager		Investec Asset Management Limited, the investment manager of the Target Fund
IUTA		Institutional Unit Trust Adviser registered with the Federation of Investment Managers Malaysia to market and distribute unit trust funds
Law of 2010		The Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended
Launch Date		The date on which sale of Units of the Class may first be made and is the date of this Information Memorandum.
LPD		31 August 2018, being the latest practicable date in respect of the information in this Information Memorandum
Long Term		Investment horizon of more than three (3) years
MCR		Multi-class ratio, being the apportionment of the NAV of each Class over the Fund's NAV based on the size of each Class. The MCR is calculated by dividing the NAV of the respective Class by the NAV of the Fund before income and expenses for the day. The apportionment is expressed as a ratio and calculated as a percentage
Member State		A member state of the EU
MYR Class		The Class issued by the Fund denominated in MYR
MYR Hedged Class		The Class issued by the Fund denominated in MYR that aims to minimise the effect of exchange rate fluctuations between the base currency of the Fund and MYR
NAV		Net Asset Value
NAV of the Fund		The NAV of the Fund is the value of all the Fund's assets less the value of all the Fund's liabilities, at the point of valuation. The NAV of a Class is the NAV of the Fund attributable to a Class at the same valuation point
NAV per Unit		NAV of the Class divided by the number of Units in circulation of that Class at that valuation point
Other Market	Regulated	A market which is regulated, operates regularly and is open to the public, namely a market (i) that meets the following cumulative criteria: liquidity; multilateral order matching (general matching of bid and ask prices in order to establish a single price); transparency (the circulation of complete information in order to give clients the possibility of tracking trades, thereby ensuring that their orders are executed on current conditions); (ii) on which the securities are dealt in at a certain fixed frequency, (iii) which is recognised by a State or by a public authority which has been delegated by that State or by another entity which is recognised by that State or by that public authority such as a professional association and (iv) on which the securities dealt are accessible to the public
OTC		Over the counter
Reinvestment Date		The reinvestment date of income distribution is within three (3) Business Day after the date of declaration of any income distribution

Regulated Market	A market as defined in Directive 2004/39/EC of 21 April 2004 of the European Parliament and the Council, as amended
Regulatory Authority	The CSSF or its successor, the Luxembourg authority in charge of the supervision of the undertakings for collective investment in the Grand Duchy of Luxembourg
RM / MYR	Ringgit Malaysia
RQFII	A Renminbi Qualified Foreign Institutional Investor as approved under and subject to the applicable regulations in China
SC / Securities Commission	Securities Commission Malaysia established under the Securities Commission Malaysia Act 1993
SEHK	The Stock Exchange of Hong Kong Limited
SGD	Singapore Dollar
SGD Hedged Class	The Class issued by the Fund denominated in SGD that aims to minimize the effect of exchange rate fluctuations between the base currency of the Fund and SGD
Sophisticated Investor(s)	<p>Refers to:</p> <ul style="list-style-type: none"> <li>• An individual whose total net personal assets, or total net joint assets with his or her spouse, exceed three million ringgit or its equivalent in foreign currencies, excluding the value of the individual's primary residence;</li> <li>• An individual who has a gross annual income exceeding three hundred thousand ringgit or its equivalent in foreign currencies per annum in the preceding twelve months;</li> <li>• An individual who, jointly with his or her spouse, has a gross annual income exceeding four hundred thousand ringgit or its equivalent in foreign currencies in the preceding twelve months;</li> <li>• A corporation with total net assets exceeding ten million ringgit or its equivalent in foreign currencies based on the last audited accounts;</li> <li>• A partnership with total net assets exceeding ten million ringgit or its equivalent in foreign currencies;</li> <li>• A unit trust scheme or prescribed investment scheme;</li> <li>• A private retirement scheme;</li> <li>• A closed-end fund approved by the Securities Commission;</li> <li>• A company that is registered as a trust company under the Trust Companies Act 1949 which has assets under management exceeding ten million ringgit or its equivalent in foreign currencies;</li> <li>• A corporation that is a public company under the Companies Act 2016 which is approved by the Securities Commission to be a trustee under the CMSA and has assets under management exceeding ten million ringgit or its equivalent in foreign currencies;</li> <li>• A statutory body established by an Act of Parliament or an enactment of any state in Malaysia;</li> <li>• A pension fund approved by the Director General of Inland Revenue under section 150 of the Income Tax Act 1967;</li> <li>• Central Bank of Malaysia established under the Central Bank of Malaysia Act 2009;</li> <li>• A holder of a capital markets services licence or an executive director or a chief executive officer of a holder of a capital markets services licence;</li> <li>• A licensed person as defined in the Financial Services Act 2013;</li> </ul>

	<ul style="list-style-type: none"> <li>• An Islamic bank as defined in the Islamic Financial Services Act 2013;</li> <li>• An insurance company registered under the Financial Services Act 2013;</li> <li>• A takaful operator registered under the Islamic Financial Services Act 2013;</li> <li>• A bank licensee or insurance licensee as defined under the Labuan Financial Services and Securities Act 2010;</li> <li>• An Islamic bank licensee or takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010; and</li> <li>• any other investor as may be defined by the Securities Commission from time to time.</li> </ul>
Special Resolution	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” means three-fourths of the votes cast by the Unit Holders present and voting; for the purposes of terminating the Fund, “Special Resolution” means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority in number holding not less than three-fourths of the value of the votes cast by the Unit Holders present and voting at the meeting in person or by proxy
SSE	The Shanghai Stock Exchange
State	A state which is not a Member State
Stock Connect	(i) Shanghai-Hong Kong Stock Connect, the mutual market access programme through which investors can deal in select securities listed on the SSE through the SEHK and clearing house in Hong Kong (Northbound trading); and (ii) the Shenzhen-Hong Kong Stock Connect, the mutual market access program through which foreign investors can deal in select securities on the SZSE through the SEHK and clearing house in Hong Kong (Northbound trading)
SZSE	The Shenzhen Stock Exchange
Target Fund	Investec Global Strategy Fund - All China Equity Fund
Target Fund’s Prospectus	The prospectus of the Target Fund dated June 2018 and as may be amended from time to time
Trustee	CIMB Commerce Trustee Berhad (Company No. 313031-A)
UCI	Undertaking(s) for collective investment
UCITS	Undertaking(s) for collective investment in transferable securities pursuant to Article 1 paragraph 2, points a) and b) of the UCITS Directive
UCITS Directive	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as amended by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 as regards depositary functions, remunerations policies and sanctions, as may be further amended in the future
UCITS Regulation	The future Commission Delegated Regulation based on the 17 December 2015 European Commission proposal which relates to Directive 2009/65/EC



of the European Parliament and of the Council with regard to obligations of depositaries

Unit or Units                      An undivided share in the beneficial interest and/or right in the Fund and a measurement of the interest and/or right of a Unit Holder in the Fund

Unit      Holder(s)      /      The Sophisticated Investor(s) registered for the time being as the holder or investor(s) / you      holders of Units of the Fund including persons jointly registered  
USD                                      Means United States Dollar, the official currency of United States of America

USD Class                              The Class issued by the Fund denominated in USD

We / our / us / the      TA Investment Management Berhad (Company No. 340588-T)  
Manager / TAIM

## CORPORATE DIRECTORY

### Manager

Name: TA Investment Management Berhad (Company No. 340588-T)

Registered Office: 34<sup>th</sup> Floor, Menara TA One  
22 Jalan P. Ramlee  
50250 Kuala Lumpur

Head Office: 23<sup>rd</sup> Floor, Menara TA One  
22 Jalan P. Ramlee  
50250 Kuala Lumpur

Telephone number: 03-2031 6603  
Facsimile number: 03-2031 4479  
Email address: investor.taim@ta.com.my  
Website: www.tainvest.com.my

### Trustee

Name: CIMB Commerce Trustee Berhad (Company No.313031-A)

Registered Address: Level 13, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur

Telephone number: 03-2261 8888  
Facsimile number: 03-2261 0099  
Website: www.cimb.com

Business Address: Level 21, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur

Telephone number: 03-2261 8888  
Facsimile number: 03-2261 9889

## CHAPTER 1: THE FUND

FUND INFORMATION					
<b>Fund Name</b>	TA All China Equity Fund				
<b>Fund Profile</b>	<ul style="list-style-type: none"> <li>• Fund Category: Feeder fund (wholesale)</li> <li>• Fund Type: Growth</li> </ul>				
<b>Base Currency</b>	USD				
<b>Class(es) of Units</b>	<ul style="list-style-type: none"> <li>• USD Class</li> <li>• AUD Hedged Class</li> <li>• SGD Hedged Class</li> <li>• MYR Class</li> <li>• MYR Hedged Class</li> </ul>				
<b>Launch Date</b>	<b>USD Class</b>	<b>AUD Hedged Class</b>	<b>SGD Hedged Class</b>	<b>MYR Class</b>	<b>MYR Hedged Class</b>
	19 September 2018	19 September 2018	19 September 2018	19 September 2018	19 September 2018
<b>Initial Offer Price</b>	<b>USD Class</b>	<b>AUD Hedged Class</b>	<b>SGD Hedged Class</b>	<b>MYR Class</b>	<b>MYR Hedged Class</b>
	USD 0.5000	AUD 0.5000	SGD 0.5000	RM 0.5000	RM 0.5000
<b>Initial Offer Period</b>	21 calendar days from the Launch Date of the Class offered in this Information Memorandum. The Initial Offer Period may be shortened as and when we deem appropriate.				
<b>Commencement Date</b>	The next Business Day immediately following the end of the Initial Offer Period.				
<b>Investment Objective</b>	<p>The Fund aims to provide long-term growth.</p> <p><b><i>Any material change to the Fund's investment objective would require Unit Holders' approval.</i></b></p>				
<b>Investment Strategy</b>	<p>The Fund seeks to achieve its investment objective by investing a minimum of 95% of the Fund's NAV in the Target Fund. The remainder of the Fund's NAV will be invested in liquid assets. Accordingly, this Fund will have a passive strategy as all the investment decisions will be made at the Target Fund level.</p>				

	<p>The Target Fund aims to provide long term capital growth primarily through investment in equities or equity-related securities of Chinese Companies. Investment exposure to the equities of these companies may be gained directly through investment in such equities or indirectly through investment in other transferable securities (including equity linked notes), derivatives or units in collective investment schemes.</p> <p>The Fund may employ currency hedging strategies to hedge the foreign currency exposure to manage the currency risk of the Classes not denominated in USD.</p>
<b>Asset Allocation</b>	<ul style="list-style-type: none"> <li>• A minimum of 95% of the Fund's NAV will be invested in the Target Fund;</li> <li>• A maximum of 5% of the Fund's NAV will be invested in liquid assets.</li> </ul>
<b>Principal Risk Associated with the Fund</b>	<ul style="list-style-type: none"> <li>• Risk of Passive Strategy</li> <li>• Currency Risk</li> <li>• Country Risk</li> <li>• Fund Management of the Target Fund Risk</li> </ul>
<b>Performance Benchmark</b>	MSCI All China NR USD Index
<b>Investor Profile</b>	<p>The Fund is suitable for Sophisticated investors who:</p> <ul style="list-style-type: none"> <li>• have a high-risk tolerance;</li> <li>• have Long Term investment horizon;</li> <li>• seek capital appreciation; and</li> <li>• are looking for exposure to the China market.</li> </ul>
<b>Permitted Investments</b>	<p>Unless otherwise prohibited by the relevant regulatory authorities or any relevant law and provided always that there are no inconsistencies with the objective of the Fund, the Fund is permitted under the Deed to invest in the following:</p> <ol style="list-style-type: none"> <li>1. the Target Fund or a collective investment scheme;</li> <li>2. money market instruments;</li> <li>3. deposits;</li> <li>4. financial derivatives instruments, including but not limited to options, futures contracts, forward contracts and swaps, for hedging purposes; and</li> <li>5. any other investments as may be agreed between the Manager and the Trustee from time to time.</li> </ol>
<b>Investment Restrictions and Limits</b>	The Fund is not subject to any investment restriction or limit.

## FEES AND CHARGES RELATED TO THE FUND

*The table below describes the fees and charges directly incurred by you when you purchase or redeem Units of the Fund. All fees and charges quoted below are exclusive of any tax which may be imposed by the government or relevant authority unless otherwise specified.*

<b>SALES CHARGE</b>	<p>Up to 5.50% of the NAV per Unit of the Class is imposed either by IUTAs, unit trust consultants or Manager.</p> <p><i>All sales charge is to be rounded up to two (2) decimal points. We reserve the right to waive and/or reduce the sales charge from time to time at our absolute discretion.</i></p> <p><i>Note: Sophisticated Investors may negotiate for a lower sales charge through the sales and promotional campaigns from time to time or alternatively, Sophisticated Investors may negotiate with their preferred distributors for a lower sales charge. Investment through the distributors shall be subject to their respective terms and conditions.</i></p>										
<b>REDEMPTION CHARGE</b>	Nil.										
<b>SWITCHING FEE</b>	<p>We may impose an administrative fee for a switching transaction from each Class, subject to our discretion.</p> <table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th style="width: 20%;">USD Class</th> <th style="width: 20%;">AUD Hedged Class</th> <th style="width: 20%;">SGD Hedged Class</th> <th style="width: 20%;">MYR Class</th> <th style="width: 20%;">MYR Hedged Class</th> </tr> </thead> <tbody> <tr> <td>USD 25</td> <td>AUD 25</td> <td>SGD 25</td> <td>RM 50</td> <td>RM 50</td> </tr> </tbody> </table> <p><i>Note: In addition to the switching fee, Unit Holders will also have to pay the difference in sales charge, if any, when switching from a Class to any other funds managed by us.</i></p>	USD Class	AUD Hedged Class	SGD Hedged Class	MYR Class	MYR Hedged Class	USD 25	AUD 25	SGD 25	RM 50	RM 50
USD Class	AUD Hedged Class	SGD Hedged Class	MYR Class	MYR Hedged Class							
USD 25	AUD 25	SGD 25	RM 50	RM 50							
<b>TRANSFER FEE</b>	Not applicable.										
<b>OTHER CHARGES</b>	There are no other charges (except charges levied by the banks on remittance of money) payable directly by Unit Holders when purchasing or redeeming Units of the Fund.										
<p><i>The table below describes the fees and charges indirectly incurred when you purchase or redeem Units of the Fund. All fees and charges quoted below are exclusive of any tax which may be imposed by the government or relevant authority unless otherwise specified.</i></p>											
<b>ANNUAL MANAGEMENT FEE</b>	<p>Up to 1.80% per annum of the NAV of the Fund, calculated and accrued on a daily basis.</p> <p>Note: <i>We may, at our own discretion, from time to time, charge an annual management fee that is lower than that stated above.</i></p>										

<b>ANNUAL TRUSTEE FEE</b>	Up to 0.05% per annum of the NAV of the Fund, subject to a minimum of RM12,000 per annum (excluding foreign custodian fees and charges).
<b>OTHER EXPENSES RELATED TO THE FUND</b>	<p>Only the expenses (or part thereof) which are directly related and necessary to the operation and administration of the Fund or each Class may be charged to the Fund or each Class. These would include (but are not limited to) the following:</p> <ul style="list-style-type: none"> <li>(a) commissions or fees paid to brokers or dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes (if any);</li> <li>(b) taxes and other duties charged on the Fund by the government and/or other authorities;</li> <li>(c) costs, fees and expenses properly incurred by the auditor of the Fund;</li> <li>(d) costs, fees and expenses incurred for the valuation of any investment of the Fund by independent valuers for the benefit of the Fund;</li> <li>(e) costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Manager and/or the Trustee;</li> <li>(f) costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;</li> <li>(g) costs, commissions, fees and expenses of the sale, purchase, insurance and any other dealing of any asset of the Fund;</li> <li>(h) costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed investment of the Fund;</li> <li>(i) costs, fees and expenses incurred in engaging any adviser for the benefit of the Fund;</li> <li>(j) costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;</li> <li>(k) costs, fees and expenses incurred in the termination of the Fund or the removal of the Trustee or the Manager and the appointment of a new trustee or management company;</li> <li>(l) costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the Fund, including proceedings against the Trustee or the Manager by the other for the benefit of the Fund (save to the extent that legal costs incurred for the defence of either of them are ordered by the court not to be reimbursed by the Fund);</li> </ul>

	<p>(m) costs, fees and expenses deemed by the Manager to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority;</p> <p>(n) (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund;</p> <p>(o) expenses and charges incurred in connection with the printing and postage for the annual or quarterly report, tax certificates and other services associated with the administration of the Fund;</p> <p>(p) all costs and expenses associated with the distributions declared pursuant to the Deed and the payment of such distribution including without limitation fees, costs and/or expenses for the revalidation or reissuance of any distribution cheque or warrant or telegraphic transfer; and</p> <p>(q) any tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred under sub-paragraphs (a) to (p) above.</p>
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**THERE ARE FEES AND CHARGES INVOLVED AND SOPHISTICATED INVESTORS ARE ADVISED TO CONSIDER THEM BEFORE INVESTING IN THE FUND.**

<b>TRANSACTION INFORMATION</b>					
<b>Minimum Initial Investment</b>	<b>USD Class</b>	<b>AUD Hedged Class</b>	<b>SGD Hedged Class</b>	<b>MYR Class</b>	<b>MYR Hedged Class</b>
	USD 5,000	AUD 5,000	SGD 5,000	RM 5,000	RM 5,000
<i>or such other lower amount as we may decide from time to time.</i>					
<b>Minimum Additional Investment</b>	<b>USD Class</b>	<b>AUD Hedged Class</b>	<b>SGD Hedged Class</b>	<b>MYR Class</b>	<b>MYR Hedged Class</b>
	USD 1,000	AUD 1,000	SGD 1,000	RM 1,000	RM 1,000
<i>or such other lower amount as we may decide from time to time.</i>					
<b>Minimum redemption amount</b>	5,000 Units or such other lesser number of Units as we may decide from time to time.				

	<i>Note: Unit Holders must hold a minimum of 1,000 Units in their account if they wish to remain as Unit Holders. The Unit Holder will be deemed to have redeemed all of his Units if his Units fall below the minimum holding amount and we will pay the redemption proceeds to the Unit Holders.</i>
<b>Minimum Holding of Units</b>	1,000 Units or such other lesser number of Units as we may decide from time to time.
<b>Frequency of Redemption</b>	There is no restriction on the frequency of redemption.  Redemption requests must be received by us before 4.00p.m. on any Business Day. Redemption requests that are received after 4.00p.m. will only be processed on the next Business Day.
<b>Redemption Payment Period</b>	Within ten (10) days upon receipt of the request for redemption.
<b>Switching Facility</b>	Switching is available between the Classes of the Fund and between a Class and any other TAIM fund (or its class of units), which are denominated in the same currency.  We will process your switching transaction once a complete switching request form is received by us before 4.00p.m. on any Business Day. Any switching request received by us after 4.00p.m. will only be processed on the next Business Day.
<b>Transfer Policy</b>	Transfer facility is not available for the Fund.
<b>Eligibility to Subscribe</b>	The Fund is only offered for sale to Sophisticated Investors.  In the event that we become aware that a Unit Holder who is not eligible to apply for Units is in fact holding Units, we shall be deemed to have received a redemption request in respect of such Units on the Business Day following the day we first became aware of the Unit Holder's ineligibility.
<b>Cooling-Off Period</b>	Within six (6) Business Days of receipt by us of the applications for investment.  A cooling-off right is only given to a qualified investor. A qualified investor is an individual who is investing in any of the unit trust funds managed by us for the first time but shall not include the following persons: <ul style="list-style-type: none"> <li>• our staff; and</li> <li>• a person registered with a body approved by the SC to deal in unit trusts.</li> </ul>



<b>ADDITIONAL INFORMATION</b>	
<b>Distribution Policy</b>	Subject to availability of income, distribution is incidental. Distribution of income will only be made from realised gains or realised income.
<b>Financial Year End</b>	30 April
<b>Deed</b>	The deed in respect of the Fund dated 13 September 2018 entered into between the Manager and the Trustee.
<b>Avenue for Advice</b>	You may contact our Customer Service at 1-800-38-7147.
<b>Trustee</b>	CIMB Commerce Trustee Berhad (313031-A)

The above key data is only a summary of the Fund's salient information. You should read and understand the contents of this Information Memorandum and if necessary, consult your adviser(s) before making an investment decision.

## CHAPTER 2: RISK FACTORS

We encourage Unit Holders to give careful consideration to the risks associated with the Fund when investing in the Fund and, accordingly, to obtain independent financial and taxation advice before investing in the Fund.

### 2.1 GENERAL RISKS OF INVESTING IN THE FUND

Below are some of the general risks which Unit Holders should be aware of when investing in the Fund:

#### a) 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.

#### b) Inflation Risk

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

#### c) Non-compliance Risk

This risk arises from non-compliance with laws, rules, regulations, prescribed practices and internal policies and procedures by the management company. For example, we may fail to comply with internal policies and procedures due to internal factors such as oversight, human error and/ or system error. This risk may also occur indirectly due to the imposition and/or amendment to the relevant regulatory frameworks, laws, rules and other prescribed practices affecting the Fund. We have put in place internal controls to ensure that comprehensive and timely compliance monitoring is undertaken.

#### d) Operational Risk

Apart from a market disruption event, system interruption can also impact processes when there is an interruption in the flow of information needed for making qualified decisions where decisions are made based on accurate flow of information with operated system in managing the Fund. These disruptions may impact the performance of the Fund, the settlement of trades in the Fund and may also affect the investor's transactions with the unit trust fund. We have put in place internal controls to manage some of these disruptions such as business continuity plans. However, investors should note that not all circumstances can be prepared for nor anticipated. In such circumstances, we in consultation with the Trustee will take appropriate measures to safeguard the Unit Holders' interests.

### 2.2 SPECIFIC RISKS RELATED TO THE FUND

Below are some of the **specific risks** when investing in the Fund; these may include but are not limited to:

#### a) Risk of Passive Strategy

The Fund adopts a passive strategy of investing a minimum of 95% of its NAV into the Target Fund at all times. This passive strategy would result in the Fund being exposed to the risk of its NAV declining when the Target Fund's NAV declines. All investment decisions on the Target Fund are left with the Investment Manager.

## **b) Currency Risk**

As the investments of the Fund may be denominated in currencies other than the base currency of the Fund, any fluctuation in the exchange rate between the base currency of the Fund and the currencies in which the investments are denominated may have an impact on the value of these investments. Investors should be aware that if the currencies in which the investments are denominated depreciate against the base currency of the Fund, this will have an adverse effect on the NAV of the Fund in the base currency of the Fund and vice versa. Investors should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.

### **i) Currency risk at the Fund level**

The impact of the exchange rate movement between the base currency of the Fund and the currency of the underlying investments (other than in USD) may result in a depreciation of the value of the investments as expressed in the base currency of the Fund.

### **ii) Currency risk at the Class level**

The impact of the exchange rate movement between the base currency of the Fund and the currency of the respective Classes (other than USD Class) may result in a depreciation of the investor's holdings as expressed in the base currency of the Fund.

Additionally, Sophisticated Investors who invest in the USD Class / MYR Class should be aware that as there are other hedged Class(es) offered by the Fund, any unrealised gain or loss on the currency forward for those hedged Class(es) will have an impact on the Fund when calculating the fees and charges of the Fund, and consequently it will affect the NAV of the USD Class / MYR Class as well as the NAV per Unit of these Classes.

### **iii) Currency risk at the Hedged Class level**

Investors in the AUD Hedged Class / SGD Hedged Class / MYR Hedged Class are subject to minimal currency risk as we will as much as practicable mitigate this risk by hedging these currencies against the base currency of the Fund. Investors should note that by employing this hedging, investors would not be able to enjoy the additional currency gains when USD moves favourably against the currencies of these Classes. Additional transaction costs of hedging will also have to be borne by investors in these Classes.

## **c) Country Risk**

The Fund invests in the Target Fund which is domiciled in Luxembourg. Any adverse changes in the Luxembourg's economic fundamentals, social and political stability, currency movements and foreign investments policies in Luxembourg may have an impact on the prices of the Target Fund and consequently may also affect the Fund's NAV.

## **d) Fund Management of the Target Fund Risk**

We have exercised due skill and care in selecting the Target Fund; however, we do not have control over the management of the Target Fund and there is no guarantee that the investment objective of the Target Fund will be met. This may affect the value of the Unit Holders' investments in the Fund.

The Target Fund may change its objective and become inconsistent with the objective of the Fund. In such instances, we will replace the Target Fund with other collective investment scheme which we consider to be more appropriate in meeting the objective of the Fund. Any changes on the replacement of the Target Fund would require the Unit Holders' approval.

## **2.3 SPECIFIC RISKS RELATED TO THE TARGET FUND**

### **China A Shares Risk**

#### *Risk of volatility*

The existence of a liquid trading market for China A Shares may depend on whether there is supply of, and demand for, China A Shares. The price at which securities may be purchased or sold by the Target Fund and the net asset value of the Target Fund may be adversely affected if trading markets for China A Shares are limited or absent. The China A Share market may be more volatile and unstable (for

example, due to the risk of suspension of a particular stock or government intervention). Market volatility and settlement difficulties in the China A Share markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may affect the value of the Target Fund.

*Risk of trading limitations:*

Securities exchanges in China typically have the right to suspend or limit trading in any security traded on the relevant exchange. In particular, trading band limits are imposed by the stock exchanges on China A Shares, where trading in any China A Share security on the relevant stock exchange may be suspended if the trading price of the security has increased or decreased to the extent beyond the trading band limit. A suspension will render it impossible for the Investment Manager to liquidate positions and could thereby expose the Target Fund to significant losses. Further, when the suspension is subsequently lifted, it may not be possible for the Investment Manager to liquidate positions at a favourable price, which could thereby expose the Target Fund to significant losses.

China A Shares may only be bought from, or sold to, the Target Fund from time to time where the relevant China A Shares may be sold or purchased on the Shanghai Stock Exchange or the Shenzhen Stock Exchange, as appropriate.

Given that the China A Share market is considered volatile and unstable (with the risk of suspension of a particular stock or government intervention), the subscription and redemption of shares of the Target Fund may also be disrupted.

### **China Tax Risk**

Income and gains derived from China may be subject to withholding tax and value added tax ("VAT") and relevant surcharges on VAT. The interpretation and applicability of existing Chinese tax laws may not be as consistent and transparent as those of more developed nations, and may vary from region to region. There is a possibility that the current tax laws, regulations, and practice in China may be changed with retrospective effect in the future. Moreover, there is no assurance that tax incentives currently offered to foreign companies, if any, will not be abolished and the existing tax laws and regulations will not be revised or amended in the future. Any of these changes may reduce the income from, and/or value of, the Target Fund's investments. The Chinese government has implemented a number of tax reform policies in recent years. The current tax laws and regulations may be revised or amended in the future. Any revision or amendment in tax laws and regulations may affect the after-tax profit of Chinese companies and foreign investors in such companies, such as the Target Fund. There can be no guarantee that new tax laws, regulations, and practice in China that may be promulgated in the future will not adversely impact the tax exposure of the Target Fund and/or its shareholders.

The Target Fund should be regarded as a Luxembourg tax resident and should be able to enjoy a tax exemption on capital gains under the Luxembourg-China double tax treaty, although there is no guarantee that the Chinese tax authorities will provide tax treaty relief.

As at the date of the Target Fund's Prospectus, the Chinese tax authorities have issued two tax circulars clarifying, amongst other things, the tax treatment in relation to Stock Connect and RQFII :

#### Stock Connect

The Chinese tax authorities have clarified that:

- an exemption from income tax on capital gains applies to trading on Stock Connect (this is stated to be a temporary exemption, but no expiry date is provided);
- normal Chinese stamp duty is payable; and
- a 10% dividend withholding tax will be applied.

#### RQFII

The Chinese tax authorities have clarified, in relation to RQFII, that a corresponding exemption from income tax on capital gains in relation to equity securities and other equity investments applies, effective from 17 November 2014. The VAT and surcharges are also temporarily exempted on the capital gains in relation to the sales of securities. Dividend and interest are normally subject to 10% withholding tax. Although it is not entirely clear, certain Chinese tax authorities are seeking to levy VAT of 6% on certain bond interest income. Surcharges will also be levied accordingly at 12% of the VAT amount.

In light of the legal and regulatory uncertainties in China, the Target Fund reserves the right to make any provision for taxes or to deduct or to withhold an amount on account of taxes (which may be payable by the Target Fund to the Chinese tax authorities in respect of its investments in China) from assets of

the Target Fund. The amount of provision (if any) will be disclosed in the financial statements of the Target Fund. In this regard, the Target Fund has, as at the date of the Target Fund's Prospectus, determined that no tax provision will be made on the capital gains derived from PRC investments. Any provision for taxes made by the Target Fund may be more or less than the Target Fund's actual Chinese tax liabilities. If the Target Fund does not set aside enough to meet these tax obligations, then the shortfall may be debited from the Target Fund's assets to meet its actual Chinese tax liabilities. As a result, the income from, and/or the performance of the Target Fund may be reduced/adversely affected and the impact/degree of impact on the individual shareholders may vary, depending on factors such as the level of the Target Fund's provision for taxes and the amount of the shortfall at the relevant time and when the relevant shareholders subscribed for and/or redeemed their shares in the Target Fund.

### **Concentration Risk**

The Target Fund which invest in a concentrated portfolio of holdings may be more volatile than more broadly diversified funds.

### **Derivatives Risk**

The use of derivatives may lead to large changes in the value of the Target Fund and includes the potential for large financial loss.

### **Equity Investment Risk**

The value of equities and equity-related investments may vary according to company profits and future prospects as well as more general market factors. In the event of a company default, the owners of their equity rank last in terms of any financial payment from that company.

### **Investment in China Risk**

To the extent that the Target Fund invests in securities issued in Mainland China, it will be subject to risks inherent in the Chinese market as described in more detail below.

#### *Chinese political and social risks:*

Any political changes, social instability and adverse diplomatic developments which may take place in or in relation to China could result in the imposition of additional governmental restrictions including expropriation of assets, confiscatory taxes or nationalisation of some or all the Target Fund assets. Investors should also note that any change in the policies of the government and relevant authorities of China may adversely impact the securities markets in China as well as the performance of the Target Fund.

#### *Chinese economic risks:*

The economy in China has experienced significant and rapid growth in the past twenty years. However, such growth may or may not continue, and may not apply evenly across different geographic locations and sectors of the Chinese economy. Economic growth has also been accompanied by periods of high inflation. The Chinese government has implemented various measures from time to time to control inflation and restrain the rate of economic growth. Furthermore, the government has carried out economic reforms to achieve decentralisation and utilisation of market forces to develop the economy of China. These reforms have resulted in significant economic growth and social progress. There can, however, be no assurance that the government will continue to pursue such economic policies or, if it does, that those policies will continue to be successful. Any such adjustment and modification of those policies may have an adverse impact on the Chinese markets and therefore on the performance of the Target Fund.

#### *Chinese legal system risks:*

The Chinese legal system is based on written laws and regulations. However, because many of these laws and regulations, especially those that affect the securities markets, are relatively new and evolving, the enforceability of such laws and regulations is uncertain. Such regulations also empower the China Securities Regulatory Commission ("CSRC") and the State Administration of Foreign Exchange in China ("SAFE") to exercise discretion in their respective interpretation of the regulations, which may result in increased uncertainties in their application. In addition, as the legal system develops, there can be no assurance that changes in such laws and regulations, their interpretation or their enforcement will not have a material adverse effect on the business operations of Chinese Companies which may impact the value of investments held by the Target Fund.

*Risk of government control of currency conversion and future movements in exchange rates:*

The conversion of onshore Renminbi (“RMB”) in China into another currency is subject to SAFE approvals and the conversion rate is based on a managed floating exchange rate system which allows the value of onshore RMB to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. There can be no assurance that the onshore RMB exchange rate will not fluctuate widely against the USD or any other foreign currency in the future.

*Chinese accounting and reporting standards risks:*

Chinese companies which may issue securities to be invested by the Target Fund are required to follow Chinese accounting, audit and reporting standards and practices. These may be less rigorous than international equivalents, and there may be significant differences between financial statements prepared in accordance with Chinese standards and those prepared in accordance with international accounting standards. For example, there are differences in the valuation methods of properties and assets and in the requirements for disclosure of information to investors.

*Chinese financial markets risks:*

Investor should note that the financial markets in China are at a developing stage and trading volumes may be lower than those in more developed financial markets. Market volatility and potential lack of liquidity due to low trading volumes may result in prices of securities fluctuating significantly, which could result in substantial volatility in the net asset value of the Target Fund. The regulatory and legal framework for capital markets and securities in China is still developing when compared with those of developed countries.

*Risks linked to intervention of the government in financial markets:*

The Chinese government and regulators may intervene in the financial markets in China, such as by imposing trading restrictions, a ban on “naked” short selling or suspending short selling for certain securities. This intervention may affect the activities of the Target Fund, and may have an unpredictable impact on the Target Fund. Furthermore, this intervention may have a negative impact on overall market sentiment, which may in turn affect the performance of the Target Fund.

*Chinese brokerage risks:*

The execution and settlement of transactions or the transfer of any funds or securities in China may be conducted by brokers (“PRC Brokers”) appointed by the Investment Manager. There is a risk that the Target Fund may suffer losses, whether direct or indirect, from the default or bankruptcy of a PRC Broker or disqualification of the same from acting as a broker. This may adversely affect the Target Fund in the execution or settlement of any transaction or in the transfer of any funds or securities. Reasonably competitive commission rates and prices of securities will generally be sought to execute the relevant transactions in Chinese markets. It is possible that, in circumstances where only a single PRC Broker is appointed, where it is considered appropriate to do so by the Investment Manager, the Target Fund may not necessarily pay the lowest commission or spread available, but the transaction execution will be consistent with the best execution standards and in the best interest of the shareholders of the Target Fund. Notwithstanding the foregoing, the Investment Manager will seek to obtain the best net results for the Target Fund, taking into account such factors as prevailing market conditions, price (including the applicable brokerage commission or dealer spread), size of order, difficulties of execution and operational facilities of the PRC Broker involved and the PRC Broker’s ability to position efficiently the relevant block of securities.

In its selection of PRC Brokers, the Investment Manager will have regard to factors such as the competitiveness of commission rates, size of the relevant orders and execution standards. If the Investment Manager considers it appropriate, it is possible that a single PRC Broker will be appointed and the Target Fund may not necessarily pay the lowest commission available in the market.

*Risks linked with dealing in securities in China:*

Investments in China are currently subject to certain additional risks, particularly regarding the ability to deal in securities in Mainland China. Dealing in certain Chinese securities is restricted to licensed investors and the ability of the investor to repatriate its capital invested in those securities may be limited at times. Due to issues relating to liquidity and repatriation of capital, the Investment Manager may determine from time to time that making direct investments in certain securities may not be appropriate for the Target Fund. As a result, the Investment Manager may choose to gain exposure to Chinese securities indirectly (for example, by way of derivatives or promissory notes which qualify as transferable securities) and may be unable to gain full exposure to the Chinese markets.

*Risk of cash holdings and indirect investments impacting investment performance:*

Due to the operational requirements of the RQFII regime, and in order to manage subscriptions, conversions and redemptions in the Target Fund, the Investment Manager may (i) hold higher levels of cash in the Target Fund; and/or (ii) hold investments that provide indirect exposure to securities issued in China. These two methods may negatively impact the Target Fund's investment performance.

**Renminbi Currency Risk**

The Renminbi is not a freely convertible currency and is subject to foreign exchange control policies of and repatriation restrictions imposed by the Chinese government. Exchange control regulations or any changes thereto may cause difficulties in the repatriation of the Target Fund, and the performance of the Target Fund's investments, in particular, may be affected.

Renminbi convertibility is subject to foreign exchange control policies of and repatriation restrictions. Converting foreign currencies into Renminbi is carried out on the basis of the rate applicable to offshore Renminbi ("CNH"). The daily trading price of CNH against other major currencies in the inter-bank foreign exchange market is floating in a band around the central parity published by the People's Bank of China. The value of the CNH may differ, perhaps significantly, from the value of onshore RMB due to a number of factors including without limitation those foreign exchange control policies and repatriation restrictions applied by the Chinese government from time-to-time as well as other external factors and market forces.

The CNH market is in early development and there may be periods in which it is difficult for market participants to obtain or dispose of CNH. Furthermore, government or regulatory intervention in the CNH market may impact the availability and/or convertibility of CNH. In such situations, the exchange rate may fluctuate substantially and it may not be possible to obtain an exchange rate through any customary channel.

**RQFII Risk**

The Target Fund may invest in securities issued in Mainland China in accordance with the investment objective and policies. Below are the additional specific risks in the Target Fund:

*Concentration risk:*

The Target Fund might be concentrated in securities issued by companies either incorporated in Mainland China, or which derive most of their revenue from Mainland China or which have substantial exposure to Mainland China. As such, the performance of the Target Fund may be subject to price volatility, and more susceptible to the effects of any single economic, market, political or regulatory occurrence.

*Custody risk for investment in China:*

The Investment Manager (in its capacity as an RQFII) and the Depositary have appointed HSBC China (the "RQFII Local Custodian") as custodian to maintain the Target Fund's assets in custody in China, pursuant to relevant laws and regulations. Chinese securities are registered in accordance with these rules and regulations, and maintained by the RQFII Local Custodian in electronic form via a securities account with the China Securities Depository and Clearing Corporation Limited and cash shall be maintained in a cash account with the RQFII Local Custodian. The Depositary will make arrangements to ensure that the RQFII Local Custodian has appropriate procedures in place to properly safe-keep the Target Fund's assets including maintaining records that clearly show that the Target Fund's assets are recorded in the name of that Target Fund and segregated from the other assets of the RQFII Local Custodian.

Investors should note that cash deposited in the cash account of the Target Fund with the RQFII Local Custodian will not be segregated but will be a debt owing from the RQFII Local Custodian to the Target Fund as a depositor. Such cash will be co-mingled with cash that belongs to other clients or creditors of the RQFII Local Custodian. In the event of bankruptcy or liquidation of the RQFII Local Custodian, the Target Fund will not have any proprietary rights to the cash deposited in such cash account, and that the Target Fund will become an unsecured creditor, ranking *pari passu* with all other unsecured creditors, of the RQFII Local Custodian. The Target Fund may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Target Fund will suffer losses.

*RQFII regime risk:*

Under current Chinese laws and regulations, the Target Fund's investments in the Chinese securities can only be made by or through an RQFII, within certain investment quota as approved under and subject to applicable Chinese regulatory requirements. The RQFII regime is governed by rules and regulations as promulgated by the Mainland Chinese authorities.

The Target Fund may obtain access to the Chinese domestic securities market using the Investment Manager's RQFII quota. The board of directors of the Company may decide to close the Target Fund to further subscriptions without any prior or further notice if the total subscription amount reaches the relevant RQFII quota made available for the Target Fund by the Investment Manager.

Investor should note that RQFII status could be suspended or revoked at any time, which may have an adverse effect on the Target Fund's performance as the Target Fund may be required to dispose of its securities holdings over a short period. In addition, certain restrictions imposed by the Chinese government on RQFIIs may have an adverse effect on the Target Fund's liquidity and performance.

SAFE regulates and monitors the repatriation of funds out of China by an RQFII. Repatriations by RQFIIs in respect of an open-ended fund (such as the Target Fund) conducted in Renminbi are currently not subject to repatriation restrictions or prior approval, although authenticity and compliance reviews will be conducted, and monthly reports on remittances and repatriations will be submitted to SAFE by the RQFII Local Custodian. There is no assurance, however, that the Chinese rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Any restrictions on repatriation of the invested capital and net profits may impact on the Target Fund's ability to meet redemption requests from shareholders of the Target Fund. Furthermore, as the RQFII Local Custodian's review on authenticity and compliance is conducted on each repatriation, the repatriation may be delayed or even rejected by the RQFII Local Custodian in case of non-compliance with the RQFII rules and regulations. In such case, it is expected that redemption proceeds will be paid to the redeeming shareholders of the Target Fund as soon as practicable and after the completion of the repatriation of funds concerned. It should be noted that the actual time required for the completion of the relevant repatriation will be beyond the Investment Manager's control.

RQFII quotas are generally granted to an RQFII. The rules and restrictions under the RQFII regulations generally apply to the RQFII as a whole and not simply to the investments made by the Target Fund. It is provided in the RQFII Measures that the size of the quota may be reduced or cancelled by the SAFE if the RQFII is unable to use its RQFII quota effectively within one year following the quota being granted. If the SAFE reduced the RQFII's quota, it may affect the Investment Manager's ability to effectively pursue the investment strategy of the Target Fund. The SAFE may impose regulatory sanctions if the RQFII or the RQFII Local Custodian violates any provision of the RQFII Measures. Any violations could result in the revocation of the RQFII's quota or other regulatory sanctions and may adversely impact on the portion of the RQFII's quota made available for investment by the Target Fund.

Investors should note that there can be no assurance that an RQFII will continue to maintain its RQFII status or to make available its RQFII quota, or that the Target Fund will be allocated a sufficient portion of RQFII quota from a RQFII to meet all applications for subscription into the Target Fund, or that redemption requests can be processed in a timely manner due to repatriation restrictions or adverse changes in relevant laws or regulations. Such factors may restrict the ability to process subscriptions and/or redemptions in a timely manner. In extreme circumstances, the Target Fund may incur significant losses due to insufficiency of RQFII quota, limited investment capabilities, or inability to fully implement or pursue its investment objective or strategy due to RQFII investment restrictions, illiquidity of the Chinese domestic securities market, and/or delay or disruption in execution of trades or in settlement of trades.

The current RQFII regulations are subject to change, which may take retrospective effect. In addition, there can be no assurance that the RQFII regulations will not be abolished. The Target Fund, which invests in the Chinese domestic securities markets, may be adversely affected as a result of such changes.

**Sector and / or Geographical Risk**

The Target Fund that restrict investment to a small number of related sectors and / or geographical locations may decline even while broader based market indices are rising.



Furthermore, investments which offer exposure to commodities may include additional risks e.g. political risk, natural events or terrorism. This may influence the production and trading of commodities and the value of financial instruments offering exposure to such commodities.

### **Stock Connect Risk**

#### *The Target Fund investing in RMB Securities through the Stock Connect Regime*

Stock Connect is the mutual market access programme through which foreign investors can deal in selected securities listed on a PRC stock exchange through the SEHK and the clearing house in Hong Kong, i.e. the Hong Kong Securities and Clearing Company (“HKSCC”).

The securities which can be accessed through the Stock Connect programme are, for the time being, all constituent stocks of the SSE 180 Index, the SSE 380 Index and all SSE-listed China A Shares, as well as certain other securities, and selected listed on the SZSE including any constituent stock of the SZSE Component Index and SZSE Small/Mid Cap Innovation Index which has a market capitalisation of RMB6 billion or above and all SZSE-listed shares of companies which have issued both China A Shares and H Shares (the “Stock Connect Shares”). At the initial stage of the Northbound Shenzhen Trading Link, investors eligible to trade shares that are listed on the ChiNext Board of SZSE may be limited. It is expected that the list of eligible securities which may be accessed through the Stock Connect programme will develop over time. In addition to the Stock Connect Shares described in this paragraph, the Target Fund may, subject to its investment policy, invest in any other security listed on the SSE or SZSE which is made available in the future through the Stock Connect Programme.

#### *Risk linked with dealing in securities in China via Stock Connect*

To the extent that the Target Fund’s investments in China are dealt via Stock Connect, such dealing may be subject to additional risk factors. In particular, shareholders of the Target Fund should note that Stock Connect is a new trading programme. The relevant regulations are untested and subject to change. Stock Connect is subject to quota limitations which may restrict the Target Fund’s ability to deal via Stock Connect on a timely basis. This may impact the Target Fund’s ability to implement its investment strategy effectively. Shareholders of the Target Fund should note further that under the relevant regulations a security may be recalled from the scope of Stock Connect. This may adversely affect the Target Fund’s ability to meet its investment objective, e.g. when the Investment Manager wishes to purchase a security which is recalled from the scope of Stock Connect.

#### *Beneficial owner of the Stock Connect Shares*

Stock Connect currently comprises a Northbound link, through which Hong Kong and overseas investors like the Target Fund may purchase and hold Stock Connect Shares, and a Southbound link, through which investors in Mainland China may purchase and hold shares listed on the SEHK. The Target Fund trades Stock Connect Shares through brokers who are a SEHK exchange participant. These Stock Connect Shares will be held following settlement by brokers or custodians as clearing participants in accounts in the Hong Kong Central Clearing and Settlement System (“CCASS”) maintained by the HKSCC as central securities depository in Hong Kong and nominee holder. HKSCC in turn holds these Stock Connect Shares of all its participants through a “single nominee omnibus securities account” in its name registered with ChinaClear, the central securities depository in Mainland China.

Because HKSCC is only a nominee holder and not the beneficial owner of these Stock Connect Shares, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong, investors should note that these Stock Connect Shares will not be regarded as part of the general assets of HKSCC available for distribution to creditors even under Mainland China law. However, HKSCC will not be obliged to take any legal action or enter into court proceedings to enforce any rights on behalf of investors in these shares in Mainland China. Foreign investors like the Target Fund investing through the Stock Connect holding the Stock Connect Shares through HKSCC are the beneficial owners of the assets and are therefore eligible to exercise their rights through the nominee only.

#### *Not protected by Investor Compensation Fund*

Investors should note that any Northbound or Southbound trading under Stock Connect will not be covered by Hong Kong’s Investor Compensation Fund nor the China Securities Investor Protection Fund and thus the Target Fund will not benefit from compensation under such schemes.

Hong Kong’s Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised

financial institution in relation to exchange-traded products in Hong Kong. Examples of default are insolvency, in bankruptcy or winding up, breach of trust, defalcation, fraud, or misfeasance.

#### *Quotas used up*

Dealing on Stock Connect is subject to daily quota limitations. Once the daily quota is used up, acceptance of the corresponding buy orders will also be immediately suspended and no further buy orders will be accepted for the remainder of the day. Buy orders which have been accepted will not be affected by the using up of the daily quota, while sell orders will be continued to be accepted.

Therefore, quota limitations may restrict the Target Fund's ability to invest in Stock Connect Shares on a timely basis, and the Target Fund may not be able to effectively pursue its investment strategy.

#### *Difference in trading day and trading hours*

Due to differences in public holiday between Hong Kong and Mainland China or other reasons such as bad weather conditions, there may be a difference in trading days and trading hours in the markets accessible through Stock Connect. Stock Connect will only operate on days when these markets are open for trading and when banks in those market are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the Mainland China market but it is not possible to carry out any Stock Connect Shares trading in Hong Kong. The Investment Manager should take note of the days and the hours during which Stock Connect is open for business and decide according to its own risk tolerance capability whether or not to take on the risk of price fluctuations in Stock Connect Shares during the time when Stock Connect is not trading.

#### *The recalling of eligible stocks and trading restrictions*

A stock may be recalled from the scope of eligible stocks for trading via Stock Connect for various reasons, and in such event the stock can only be sold but is restricted from being bought. This may affect the investment portfolio or strategies of the Investment Manager. The Investment Manager should therefore pay close attention to the list of eligible stocks as provided and renewed from time to time by the PRC and Hong Kong authorities.

Under Stock Connect, the Investment Manager will only be allowed to sell Stock Connect Shares but restricted from further buying if: (i) the Stock Connect Share subsequently ceases to be a constituent stock of the relevant indices (ii) the Stock Connect Share is subsequently under "risk alert"; and/or (iii) the corresponding H share of the Stock Connect Share subsequently ceases to be traded on SEHK. The Investment Manager should also note that price fluctuation limits would be applicable to Stock Connect Shares.

#### *Trading costs*

In addition to paying trading fees and stamp duties in connection with Stock Connect Shares trading, the Target Fund carrying out trading via Stock Connect should also take note of any new portfolio fees, dividend tax and tax concerned with income arising from stock transfers which would be determined by the relevant authorities.

#### *Local market rules, foreign shareholding restrictions and disclosure obligations*

Under Stock Connect, China A Shares listed companies and trading of China A Shares are subject to market rules and disclosure requirements of the China A Shares market. Any changes in laws, regulations and policies of the China A Shares market or rules in relation to Stock Connect may affect share prices. The Investment Manager should also take note of the foreign shareholding restrictions and disclosure obligations applicable to China A Shares.

The Investment Manager will be subject to restrictions on trading (including restriction on retention of proceeds) in China A Shares as a result of its interest in the China A Shares. The Investment Manager is solely responsible for compliance with all notifications, reports and relevant requirements in connection with its interest in China A Shares.

Under the current Mainland China rules, once an investor holds up to 5% of the shares of a company listed in Mainland China, the investor is required to disclose his interest within three working days and during which he cannot trade the shares of that company. The investor is also required to disclose any change in his shareholding and comply with related trading restrictions in accordance with the Mainland China rules.

According to existing Mainland China practices, the Target Fund as beneficial owners of China A Shares traded via Stock Connect cannot appoint proxies to attend shareholders' meeting on its behalf.

### *Currency risks*

Northbound investments by the Target Fund in the Stock Connect Shares will be traded and settled in RMB. If the Target Fund holds a class of shares denominated in a local currency other than RMB, the Target Fund will be exposed to currency risk if the Target Fund invests in a RMB product due to the need for the conversion of the local currency into RMB. During the conversion, the Target Fund will also incur currency conversion costs. Even if the price of the RMB asset remains the same when the Target Fund purchases it and when the Target Fund redeems / sells it, the Target Fund will still incur a loss when it converts the redemption / sale proceeds into local currency if RMB has depreciated.

The above may not cover all risks related to Stock Connect and any above mentioned laws, rules and regulations are subject to change.

### *Risk of ChinaClear default*

ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. Pursuant to the General Rules of CCASS, if China Clear (as the host central counterparty) defaults, HKSCC will, in good faith, seek recovery of the outstanding Stock Connect Shares and monies from ChinaClear through available legal channels and through ChinaClear's liquidation process, if applicable.

HKSCC will in turn distribute the Stock Connect Shares and/or monies recovered to clearing participants on a pro-rata basis as prescribed by the relevant Stock Connect authorities. Although the likelihood of a default by ChinaClear is considered to be remote, the Target Fund should be aware of this arrangement and of this potential exposure before engaging in Northbound Trading.

### *Risk of HKSCC default*

A failure or delay by the HKSCC in the performance of its obligations may result in a failure of settlement, or the loss, of Stock Connect securities and/or monies in connection with them and the Target Fund and its investors may suffer losses as a result. Neither the Target Fund nor the Investment Manager shall be responsible or liable for any such losses.

### *Ownership of Stock Connect Shares*

Stock Connect Shares are uncertificated and are held by HKSCC for its account holders. Physical deposit and withdrawal of Stock Connect Shares are not available under the Northbound Trading for the Target Fund.

The Target Fund title or interests in, and entitlements to Stock Connect Shares (whether legal, equitable or otherwise) will be subject to applicable requirements, including laws relating to any disclosure of interest requirement or foreign shareholding restriction. It is uncertain whether the Chinese courts would recognise the ownership interest of the investors to allow them standing to take legal action against the Chinese entities in case disputes arise. This is a complex area of law and the Unit Holder should seek independent professional advice.

## **2.4 RISK MITIGATION**

The risk management strategies and techniques employed will be at the Target Fund level, where the Investment Manager combines financial techniques and instruments to manage the overall risk of the Target Fund's portfolio including diversification in terms of its exposure to various industries and sectors.

In addition, we may take temporary defensive positions that may be inconsistent with the Fund's strategy in attempting to respond to adverse economic, political or any other market conditions. In such circumstances, we may temporarily hold up to 100% of its assets in liquid assets which may be inconsistent with the Fund's objective and asset allocation strategy as a defensive strategy. The Fund will also be monitored daily to ensure compliance with the permitted investments and restrictions.

**THE ABOVE SHOULD NOT BE CONSIDERED TO BE AN EXHAUSTIVE LIST OF THE RISKS WHICH POTENTIAL INVESTORS SHOULD CONSIDER BEFORE INVESTING INTO THE FUND. POTENTIAL SOPHISTICATED INVESTORS SHOULD BE AWARE THAT AN INVESTMENT IN THE FUND MAY BE EXPOSED TO OTHER RISKS FROM TIME TO TIME.**

**YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF AN INVESTMENT. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THIS INFORMATION MEMORANDUM AND, IF NECESSARY, CONSULT YOUR ADVISER(S) BEFORE MAKING AN INVESTMENT DECISION.**

## CHAPTER 3: THE INFORMATION ON INVESTEC GLOBAL STRATEGY FUND – ALL CHINA EQUITY FUND (“TARGET FUND”)

### 3.1 STRUCTURE OF THE TARGET FUND

The Target Fund is a sub-fund of the Investec Global Strategy Fund (“Company”), which is authorised under Part I of the Luxembourg law of 17 December 2010 relating to collective investment undertakings (*loi concernant les organismes de placement collectif*) (“Law of 2010”). The Company qualifies as an Undertaking for Collective Investment in Transferable Securities (“UCITS”) under Article 1 paragraph 2, points a) and b) of the UCITS Directive, and may therefore be offered for sale in European Union (“EU”) Member States (subject to registration in EU Member States other than Luxembourg).

The Company has appointed Investec Asset Management Luxembourg S.A. (“Management Company”) on 30 November 2014, to serve as its designated management company in accordance with the Law of 2010.

The Management Company has delegated the following functions to third parties: investment management, transfer agency, administration, marketing and distribution. The Management Company has also delegated its permanent internal audit function to Investec plc and its risk management process to Investec Asset Management Limited.

#### **Management Company of the Target Fund**

Investec Asset Management Luxembourg S.A. is a public limited company (*société anonyme*) which was incorporated under Luxembourg law on 8 July 2011. The Management Company is a wholly owned subsidiary of Investec Asset Management Limited. The Management Company is licensed and regulated by the CSSF.

#### **Investment Manager of the Target Fund**

The Management Company has delegated, under its permanent supervision, and responsibility, the management of the assets of the Target Fund to Investec Asset Management Limited. The Investment Manager was incorporated in England and Wales on 10 July 1986. The Investment Manager is a firm which provides investment management services for a range of funds and institutions. The Investment Manager has discretion, on a day-to-day basis and subject to the overall control and ultimate responsibility of the Management Company, to purchase and sell securities and otherwise to manage the Target Fund’s portfolios. The Investment Manager, in the execution of its duties and the exercise of its powers, shall be responsible for the compliance of the Target Fund with the investment policy and restrictions.

#### **Regulatory Authority**

Commission de Surveillance du Secteur Financier.

### 3.2 ABOUT THE TARGET FUND

The Target Fund is a sub-fund of the Investec Global Strategy Fund.

#### **Investment Objective**

The Target Fund aims to provide long term capital growth primarily through investment in equities or equity-related securities issued by Chinese Companies.

#### **Investment Policy**

The Target Fund aims to provide long term capital growth primarily through investment in equities or equity-related securities issued by Chinese Companies. Investment exposure to the equities issued by these companies may be gained directly through investment in such equities or indirectly through investment in other transferable securities (including equity linked notes), derivatives or units in collective investment schemes.

The Target Fund's equity holdings in Mainland China companies may consist of China A Shares which may include but is not limited to those traded via Stock Connect.

The Target Fund may also invest in other transferable securities, money market instruments, cash and near cash, derivatives and forward transactions, deposits and units in collective investment schemes.

The Target Fund may use derivatives transactions for efficient portfolio management and/or hedging purposes.

### **3.3 GENERAL AUTHORISED INVESTMENTS AND GUIDELINES**

Detailed below are excerpts of the general investment policies and restrictions applicable to the Target Fund as set out in the Target Fund's Prospectus, which may be amended from time to time.

This section describes the assets in which the Target Fund may invest, the permitted types of transactions and investment techniques, and the limits and restrictions that the Target Fund must follow. The Target Fund may set limits that are more restrictive in one way or another, based on the investment objective and strategy. In the case of any detected violation, the Target Fund must make compliance with the relevant policies a priority in its securities trades and management decisions, taking due account of the interests of its shareholders. Except where noted, all percentages and restrictions apply to the Target Fund.

#### **Investment Restrictions of the Target Fund**

**A. The assets of the Target Fund shall comprise only one or more of the following:**

- 1) Transferable securities and money market instruments listed or dealt in on a Regulated Market;
- 2) Transferable securities and money market instruments dealt in on an Other Regulated Market in a Member State;
- 3) Transferable securities and money market instruments admitted to official listing on a Regulated Market in a State or dealt in on an Other Regulated Market in a State;
- 4) recently issued transferable securities and money market instruments, provided that:
  - the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market or on an Other Regulated Market as described under (1)-(3) above;
  - such admission is secured within one year of issue;
- 5) units of UCITS and/or other UCIs within the meaning of the first and second indent of Article 1 paragraph 2, points a) and b) of the UCITS Directive, whether situated in a Member State or in a State, provided that:
  - such other UCIs are authorised under laws which provide that they are subject to supervision considered by the Regulatory Authority to be equivalent to that laid down in European Community law, and that cooperation between authorities is sufficiently ensured (currently the United States of America, Canada, Switzerland, Hong Kong, Japan, Norway, the Isle of Man, Jersey, Guernsey and South Africa);
  - the level of protection for shareholders in such other UCIs is equivalent to that provided for shareholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the UCITS Directive;
  - the business of the other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;

- no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs;
- 6) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a State, provided that it is subject to prudential rules considered by the Regulatory Authority as equivalent to those laid down in European Community law;
- 7) financial derivative instruments, i.e. in particular credit default swaps, options, futures, including equivalent cash-settled instruments, dealt in on a Regulated Market or on an Other Regulated Market referred to in (1), (2) and (3) above, and/or financial derivative instruments dealt in OTC derivatives, provided that:
- (i) - the underlying consists of instruments covered by this Section A, financial indices, interest rates, foreign exchange rates or currencies, in which the Target Fund may invest according to its investment objective;
  - the counterparties to OTC derivatives transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Regulatory Authority; and
  - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Target Fund's initiative;
  - (ii) - under no circumstances shall these operations cause the Target Fund to diverge from its investment objective.
- 8) Money market instruments other than those dealt in on a Regulated Market or on an Other Regulated Market, to the extent that the issuer or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that such instruments are:
- issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, a State or, in case of a federal state, by one of the members making up the federation, or by a public international body to which one or more Member States belong;
  - or issued by an undertaking any securities of which are dealt in on Regulated Markets or on Other Regulated Markets referred to in (1), (2) or (3) above; or
  - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by European Community law, or by an establishment which is subject to and complies with prudential rules considered by the Regulatory Authority to be at least as stringent as those laid down by European Community law; or
  - issued by other bodies belonging to the categories approved by the Regulatory Authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent listed above and provided that the issuer is a company whose capital and reserves amount to at least ten million Euro (10,000,000 Euro) and which presents and publishes its annual accounts in accordance with directive 78/660/EEC as amended, is an entity which, within a Group of Companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

**B. The Target Fund may however:**

- 1) Invest up to 10% of its net assets in transferable securities and money market instruments other than those referred to above under A. (1) through (4) and (8).
- 2) Hold cash and cash equivalents on an ancillary basis; such restriction may exceptionally and temporarily be exceeded if the board of directors of the Company considers this to be in the best interest of the shareholders of the Target Fund.
- 3) Borrow up to 10% of its net assets, provided that such borrowings are made only on a temporary basis. Collateral arrangements with respect to the writing of options or the purchase or sale of forward or futures contracts are not deemed to constitute "borrowings" for the purpose of this restriction.
- 4) Acquire foreign currency by means of a back-to-back loan.

**C. In addition, the Target Fund shall comply in respect of the net assets of the Target Fund with the following investment restrictions per issuer:**

**(a) Risk Diversification rules**

For the purpose of calculating the restrictions described under items (1) to (5) and (8) hereunder, companies which are included in the same Group of Companies are regarded as a single issuer.

**- Transferable Securities and Money Market Instruments**

- 1) The Target Fund may not purchase additional transferable securities and money market instruments of any single issuer if:
  - (i) upon such purchase more than 10% of its net assets would consist of transferable securities or money market instruments of one single issuer; or
  - (ii) the total value of all transferable securities and money market instruments of issuers in which it invests more than 5% of its net assets would exceed 40% of the value of its net assets. This limitation does not apply to deposits and OTC derivatives transactions made with financial institutions subject to prudential supervision.
- 2) The Target Fund may invest on a cumulative basis up to 20% of its net assets in transferable securities and money market instruments issued by the same Group of Companies.
- 3) The limit of 10% set forth above under item (1) (i) is increased to 35% in respect of transferable securities and money market instruments issued or guaranteed by a Member State, by its local authorities, by a State or by a public international body of which one or more Member State(s) are member(s).
- 4) The limit of 10% set forth above under item (1) (i) is increased up to 25% in respect of qualifying debt securities issued by a credit institution which has its registered office in a Member State and which, under applicable law, is submitted to specific public control in order to protect the holders of such qualifying debt securities. For the purposes hereof, "qualifying debt securities" are securities the proceeds of which are invested in accordance with applicable law in assets providing a return which will cover the debt service through to the maturity date of the securities and which will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. To the extent that the Target Fund invests more than 5% of its net assets in debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the net assets of the Target Fund.
- 5) The securities specified above under items (3) and (4) are not to be included for purposes of computing the ceiling of 40% set forth above under item (1) (ii).
- 6) Notwithstanding the ceilings set forth above, the Target Fund is authorised to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in transferable securities and money market instruments issued or guaranteed by a Member State, by its local



authorities, by any other state which is a member of the Organisation for Economic Co-operation and Development or the Group of twenty (G20), by the Republic of Singapore by the Hong Kong Special Administrative Region of the People's Republic of China or by a public international body of which one or more Member State(s) are member(s), provided that (i) such securities are part of at least six different issues and (ii) the securities from any such issue do not account for more than 30% of the net assets of the Target Fund.

- 7) Without prejudice to the limits set forth under item (b) below, the limits set forth under item (1) are raised to a maximum of 20% for investments in shares and/or bonds issued by the same body when the aim of the Target Fund's investment policy is to replicate the composition of a certain stock or bond index which is recognised by the Regulatory Authority, on the following basis:

- the composition of the index is sufficiently diversified,
- the index represents an adequate benchmark for the market to which it refers,
- it is published in an appropriate manner.

The limit of 20% is raised to 35% where that proves to be justified by exceptional market conditions in particular in Regulated Markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

- **Bank Deposits**

- 8) The Target Fund may not invest more than 20% of its net assets in deposits made with the same body.

- **Financial Derivative Instruments**

- 9) The risk exposure to a counterparty in an OTC derivatives transaction may not exceed 10% of the Target Fund's net assets when the counterparty is a credit institution referred to in Section A item (6) above or 5% of its net assets in other cases.

- 10) Investment in financial derivative instruments shall only be made provided that the exposure to the underlying assets does not exceed in aggregate the investment limits set forth in items (1) to (5), (8), (9), (13) and (14). When the Target Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits set forth in items (1) to (5), (8), (9), (13) and (14).

- 11) When a transferable security or money market instrument embeds a financial derivative instrument, the latter must be taken into account when complying with the requirements of Section A item (7) (ii), Section C (a) item (1) (i) above and Section D item (1) as well as with the risk exposure and information requirements laid down in the Target Fund's Prospectus.

The Target Fund will only enter into over-the-counter derivatives transactions with counterparties who are reputable financial institutions that specialise in these types of transactions and are subject to prudential supervision and belonging to categories approved by the CSSF. Counterparties will typically have a public credit rating which is investment grade (defined as S&P's Long Term Foreign Issuer of BBB- or above, Moody's Long Term Rating of Baa3 or above and Fitch Long Term Issuer Default Rating of BBB- or above). While there are no predetermined legal status or geographic criteria applied in the selection of the counterparties, these elements are typically taken into account in the selection process. The counterparties will have no discretion over the composition or management of the Target Fund's portfolio or over the underlying of the financial derivative instruments. The identity of the counterparties will be disclosed in the annual report of the Target Fund.

Any returns or losses generated by total return swaps and other financial derivative transactions with similar characteristics will be for the account of the Target Fund, subject to the terms agreed with the relevant counterparty or broker which may require the Target Fund to make payments to the counterparty or broker at a set rate that may be fixed or variable. The counterparties or brokers with whom the Target Fund may trade total return swaps and other financial derivatives transactions with similar characteristics may be affiliated with the Depositary, Management Company and/or the Investment Manager to the extent permitted under applicable laws and regulations. Neither the

Management Company nor the Investment Manager will take any fees or costs out of the revenues generated by total return swaps or other financial derivative transactions with similar characteristics additional to the fees, charges, costs and expenses applicable to the Target Fund. Information on direct and indirect operational costs incurred by the Target Fund in this respect, as well as the identity of the entities to which such costs are paid and any affiliation they may have with the Depositary, the Management Company or the Investment Manager, if applicable, will be made available in the annual report of the Target Fund.

Subject to the Target Fund's investment policy and subject to the investment restrictions of the Target Fund as set out in this section, total return swaps or other financial derivative instruments with similar characteristics (within the meaning of, and under the conditions set out in, applicable laws, regulations and CSSF circulars issued from time to time, in particular, but not limited to, Regulation (EU) 2015/2365) may be used by the Target Fund to gain exposure on a total return basis to any asset that the Target Fund is otherwise permitted to gain exposure to, including transferable securities, approved money market instruments, collective investment scheme units, derivatives, financial indices, foreign exchange rates and currencies in order to achieve its investment objective.

A total return swap is an agreement in which one party (total return payer) transfers the total economic performance of a reference obligation, which may for example be a share, bond or index, to the other party (total return receiver). The total return receiver must in turn pay the total return payer any reduction in the value of the reference obligation and possibly certain other cash flows. Total economic performance includes income from interest and fees, gains or losses from market movement, and credit losses. The Target Fund may use a total return swap to gain exposure to an asset (or other reference obligation), which it does not wish to buy and hold itself, or otherwise to make a profit or avoid a loss. Total return swaps entered into by the Target Fund may be in the form of funded and/or unfunded swaps. An unfunded swap means a swap where no upfront payment is made by the total return receiver at inception. A funded swap means a swap where the total return receiver pays an upfront amount in return for the total return of the reference obligation.

Where the Target Fund uses total return swaps, the maximum and the expected proportion of assets that could be subject to these instruments will be expressed as a percentage of the sum of the gross notional exposures of the total return swaps entered into by the Target Fund divided by its net asset value.

If the Target Fund is permitted by its investment policy to use total return swaps but do not actually use them, the expected proportion of assets under management that could be subject to the instruments is 0%. In the event the Target Fund which at the date of the Target Fund's Prospectus does not use total return swaps, but does in the future engage in their use, the Target Fund's Prospectus will be updated accordingly and in particular the maximum and expected proportion of assets under management subject to these transactions will be disclosed in the Target Fund's Prospectus at the next available opportunity.

The Depositary will verify the ownership of the OTC derivatives of the Target Fund and the Depositary will maintain an updated record of such OTC derivatives in accordance with the terms of the depositary agreement.

#### - **Units of Open-Ended Funds**

- 12) The Target Fund may not invest in aggregate more than 10% of its net assets in the units of other UCITS or other UCIs or other sub-funds.

For the purposes of the application of this investment limit, the Target Fund in a multi-sub-fund undertaking for collective investment, as defined by Article 181 of the Law of 2010, is considered as a separate issuer, provided that the principle of segregation of the commitments of the different sub-funds with regard to third parties is assured.

Investments in units or shares of UCIs other than UCITS may not in total exceed 30% of the assets of the Target Fund. If the Target Fund has acquired units or shares in UCITS and/or other UCIs, the assets of these UCITS or other UCIs are not combined for the purposes of the limits stipulated in Article 43 of the Law of 2010.

When the Target Fund invests in the units of other collective investment schemes that are managed by any other company with which the Target Fund is linked by (i) common management, (ii) control, or (iii) a direct or indirect interest of more than 10% of the capital or the votes, the Target Fund or the other company may not charge subscription, conversion or redemption fees on account of the Target Fund's investment in the units of such other collective investment scheme and the applicable management charge levied in respect of the investment in the units of such other collective investment scheme are reduced to a maximum of 0.25%.

If a substantial proportion of the Target Fund's assets are invested in the units of other collective investment schemes, the maximum level of management fees that may be charged to the Target Fund and to the schemes in which it invests will be 6% p.a.

The Target Fund may subscribe, acquire and/or hold units to be issued or issued by one or more sub-funds under the following conditions (which may be amended by law from time to time):

- the target sub-fund does not, in turn, invest in the Target Fund invested in the target sub-fund; and
- no more than 10% of the assets of the target sub-fund whose acquisition is contemplated, may be invested in aggregate in units of other sub-funds; and
- voting rights, if any, attaching to the relevant securities are suspended for as long as they are held by the Target Fund and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- in any event, for as long as these securities are held by the Target Fund, their value will not be taken into consideration for the calculation of the net assets of the Target Fund for the purposes of verifying the minimum threshold of the net assets imposed by the Law of 2010.

- **Combined limits**

13) Notwithstanding the individual limits laid down in items (1), (8) and (9) above, the Target Fund may not combine:

- investments in transferable securities or money market instruments issued by,
- deposits made with, and/or
- exposures arising from OTC derivative transactions undertaken with

a single body in excess of 20% of its net assets.

14) The limits set out in items (1), (3), (4), (8), (9) and (13) above may not be combined, and thus investments in transferable securities or money market instruments issued by the same body, in deposits or financial derivative instruments made with this body carried out in accordance with items (1), (3), (4), (8), (9) and (13) above may not exceed a total of 35% of the net assets of the Fund.

**(b) Limitations on Control**

15) The Target Fund may not acquire such amount of shares carrying voting rights which would enable the Target Fund to exercise a significant influence over the management of the issuer.

16) The Target Fund may not acquire (i) more than 10% of the outstanding non-voting shares of any one issuer; (ii) more than 10% of the outstanding debt securities of any one issuer; (iii) more than 10% of the money market instruments of any one issuer; or (iv) more than 25% of the outstanding shares or units of any one UCI.

The limits set forth in (ii) to (iv) may be disregarded at the time of acquisition if at that time the gross amount of bonds or of the money market instruments or the net amount of the securities in issue cannot be calculated.

- The ceilings set forth above under items (15) and (16) do not apply in respect of:

- Transferable securities and money market instruments issued or guaranteed by an EU Member State or by its local authorities;
- Transferable securities and money market instruments issued or guaranteed by a State;
- Transferable securities and money market instruments issued by a public international body of which one or more EU Member State(s) are member(s);
- Shares in the capital of a company which is incorporated under or organised pursuant to the laws of a State provided that (i) such company invests its assets principally in securities issued by issuers of that State, (ii) pursuant to the laws of that State a participation by the Target Fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that State, and (iii) such company observes in its investments policy the restrictions set forth under section C, items (1) to (5), (8), (9) and (12) to (16); and
- Shares in the capital of subsidiary companies which, exclusively on its or their behalf carry on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of shares at the request of shareholders of the Target Fund.

**D. Finally, the Target Fund shall comply in respect of the assets of the Target Fund with the following investment restrictions:**

- 1) The Target Fund may not acquire commodities including precious metals or certificates representative thereof.
- 2) The Target Fund may not invest in real estate provided that investments may be made in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.
- 3) The Target Fund may not use its assets to underwrite any securities.
- 4) The Target Fund may not issue warrants or other rights to subscribe for shares in the Target Fund.
- 5) The Target Fund may not grant loans or guarantees in favour of a third party, provided that such restriction shall not prevent the Target Fund from investing in non-fully paid-up transferable securities, money market instruments or other financial instruments, as mentioned under A, items (5), (7) and (8).
- 6) The Target Fund may not enter into uncovered sales of transferable securities, money market instruments or other financial instruments as listed under section A, items (5), (7) and (8).
- 7) Where the Target Fund enters into a total return swap or other financial derivative instruments with the same characteristics:
  - the assets held by the Target Fund will comply with the investment limits set out in in this section; and
  - the underlying exposure(s) of such swap or other financial derivative instrument shall be taken into account to calculate the investment limits set out in this section.

**E. Notwithstanding anything to the contrary herein contained:**

- 1) The ceilings set forth above may be disregarded by the Target Fund when exercising subscription rights attaching to transferable securities or money market instruments in the Target Fund's portfolio.

- 2) If such ceilings are exceeded for reasons beyond the control of the Target Fund or as a result of the exercise of subscription rights, the Target Fund must adopt as its priority objective in its sale transactions the remedying of such situation, taking due account of the interests of its shareholders.
- 3) The risk exposure of the Target Fund may not be increased by more than 10% by means of temporary borrowing.
- 4) During the first six months following its launch, the Target Fund may derogate from C. (a) (1) – (9) and (12) – (14), while ensuring the observance of the principle of risk spreading.

The board of directors of the Company have the right to determine additional investment restrictions to the extent that those restrictions are necessary to comply with the laws and regulations of countries where shares of the Target Fund are offered or sold. The Target Fund's Prospectus will be amended if additional investment restrictions are introduced by the board of directors of the Company.

### 3.4 RISK MANAGEMENT PROCESS

In accordance with the Law of 2010 and other applicable regulations, in particular CSSF Circular 11/512, the Management Company employs a risk management process which enables it to monitor and measure the exposure of the Target Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Target Fund. The Management Company has delegated its risk management process to Investec Asset Management Limited.

Investec Asset Management Limited's Liquidity Management Committee is an independent, cross-departmental body of senior managers that monitors the Target Fund's liquidity profile to ensure it is appropriate and prudent in meeting its dealing obligations and investment objectives.

The Liquidity Management Committee is responsible for analysing all relevant liquidity information, such as portfolio and shareholder structure, market trends as well as conducting appropriate stress tests. A set of policies and procedures are maintained to assist the Liquidity Management Committee in determining and recommending to the board of directors of the Company which of the liquidity management powers set out in the Target Fund's Prospectus are required given market conditions and the steps that are needed to implement them. Note that in extreme market circumstances it cannot be guaranteed that dealing in the Target Fund's shares won't be disrupted if it is deemed to be in the best interests of shareholders of the Target Fund.

The Target Fund may invest, according to its investment policy and within the limits laid down above in financial derivative instruments provided that the global exposure to the underlying assets does not exceed in aggregate the investment limits laid down above.

When the Target Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down above.

When a transferable security or money market instruments embeds a financial derivative instrument, the latter must be taken into account when complying with the requirements of Risk Management Process.

### 3.5 FEES CHARGED BY THE TARGET FUND

Initial Charge	5.00%
Exit Fee	Nil
Annual Management Fee	0.75% per annum of the net asset value of the Target Fund
Annual Administration Servicing Fee	0.15% per annum of the net asset value of the Target Fund

Annual Distribution Fee	Nil
Other Charges*	0.17% per annum of the net asset value of the Target Fund

\* *The other charges include the management company fees, depositary fee, transaction fees and ordinary operating and administrative expenses of the Target Fund. The operating and administrative expenses include but are not limited to formation expenses such as organisation, re-organisation, restructuring and registration costs; fees and reasonable out-of-pocket expenses incurred by the board of directors of the Company; any costs incurred in taking out and maintaining any insurance policy in relation to the Fund and/or its directors; legal and auditing fees and expenses; costs associated with fair value pricing; initial and ongoing listing fees; initial and ongoing costs associated with registrations in countries other than Luxembourg including inter alia registration fees, payment to local facilities agents and tax representatives; fees and costs associated with brokers, consultants and other professional service providers (including service providers who provide tax calculations or other services in relation to tax), translation expenses; and the costs and expenses of preparing, printing, and distributing the Target Fund's Prospectus and financial reports; and other documents made available to its shareholders.*

Note:

1. *All initial charge levied by Investec Global Strategy Fund – All China Equity Fund on any investments made by TA All China Fund into the Investec Global Strategy Fund – All China Equity Fund shall be waived.*
2. *The annual management fee paid to Investec Global Strategy Fund – All China Equity Fund will be rebated back to the TA All China Equity Fund in full.*

### **3.6 DISTRIBUTION POLICY OF THE TARGET FUND**

The Fund will not receive income payment from the Target Fund. Instead, any income will be accrued daily in the net asset value per share of the Target Fund.

## CHAPTER 4: TRANSACTION INFORMATION

### 4.1 COMPUTING OF NAV AND NAV PER UNIT

Sophisticated Investors should note that the NAV of the Fund is determined by deducting the value of all the Fund's liabilities from the value of all the Fund's assets, at a particular valuation point.

The NAV per Unit of a Class is the NAV of the Fund attributable to a Class divided by the number of Units in circulation for that particular Class, at the same valuation point.

The valuation of the Fund will be carried out in the base currency of the Fund. Accordingly, all assets that are not denominated in USD will be translated to USD for valuation purposes. The foreign exchange rate used for this purpose shall be the bid foreign exchange rate quoted by Bloomberg or Reuters at 4.00p.m. United Kingdom time (which is equivalent to 11.00p.m. or 12.00 midnight (Malaysia time) on the same day) as the valuation point of the Fund or such time as may be prescribed under the relevant laws from time to time.

Due to multiple Classes in the Fund, the income, expenses, indirect fees and/or charges for the Fund are apportioned based on the value of the Class (quoted in the base currency of the Fund) relative to the value of the Fund (also quoted in the base currency of the Fund), which is shown as multi-class ratio.

Please refer to the illustration below for the computation.

#### ***An illustration of computation of NAV and the NAV per Unit for a particular day:-***

Items	Fund (USD)	Class AUD Hedged	Class MYR Hedged (USD)	Class SGD Hedged (USD)	Class MYR (USD)	Class USD (USD)
<b>Net Asset Value BF</b>	1,112,289.63	42,010.35	129,446.99	233,571.11	256,680.71	450,580.47
Multi Class Ratio (MCR) %		3.77692544	11.63788518	20.99912682	23.07678711	40.50927545
Gains, Income and Expenses	(922.49)	(34.84)	(107.36)	(193.71)	(212.88)	(373.69)
Class Gains/Loss - Hedging	(0.51)	0.99	(1.83)	0.33	0.00	0.00
Class Rounding Adjustment	0.00	0.00	0.00	0.00	0.00	(0.01)
Creation of Units	528,971.72	0.00	0.00	377,729.09	51,242.63	100,000.00
Cancellation of Units	0.00	0.00	0.00	0.00	0.00	0.00
<b>Gross Asset Value Before</b>	<u>1,640,338.35</u>	<u>41,976.50</u>	<u>129,337.80</u>	<u>611,106.82</u>	<u>307,710.46</u>	<u>550,206.77</u>
Management Fee	(80.89)	(2.07)	(6.38)	(30.14)	(15.17)	(27.13)
Trustee Fee	(2.25)	(0.06)	(0.18)	(0.84)	(0.42)	(0.75)
<b>Net Asset Value</b>	<u>1,640,255.21</u>	<u>41,974.37</u>	<u>129,331.24</u>	<u>611,075.84</u>	<u>307,694.87</u>	<u>550,178.89</u>
Units B/F		110,000.00	1,000,000.00	623,120.78	2,000,000.00	901,364.64
Unit - Purchase & Redeem		0.00	0.00	1,008,674.60	399,600.40	200,240.29
<b>Units in Circulation</b>		<u>110,000.00</u>	<u>1,000,000.00</u>	<u>1,631,795.38</u>	<u>2,399,600.40</u>	<u>1,101,604.93</u>
Exchange Rate		1.3172	3.9030	1.3237	3.9030	1.0000
NAV Per Unit in Fund Currency		0.3816	0.1293	0.3745	0.1282	0.4994
NAV Per Unit in Class Currency		0.5026	0.5048	0.4957	0.5005	0.4994

*\*Please note that any unrealised gain or loss on the currency forward for AUD Hedged Class, SGD Hedged Class and MYR Hedged Class will have an impact on the Fund when calculating the fees and charges of the Fund.*

*Please note that the calculation set out above is for illustration purposes only.*

## 4.2 PRICING OF UNITS

We adopt the single pricing policy for any transactions. Under this regime, both the selling price and buying price of Units are fixed at the Initial Offer Price during the Initial Offer Period. After the Initial Offer Period, the selling price and buying price will be the NAV per Unit of the Fund.

The daily NAV per Unit of the Fund is valued at the next valuation point after a subscription application or a redemption request is received by us, i.e., on forward price basis

### Policy on rounding adjustment

In calculating your investments with us, the NAV per Unit of the Fund will be rounded to four decimal places.

Units allocation to a Unit Holder will be rounded up to two decimal places.

## 4.3 SALE OF UNITS

<b>Minimum Initial Investment</b>	<b>USD Class</b>	<b>AUD Hedged Class</b>	<b>SGD Hedged Class</b>	<b>MYR Class</b>	<b>MYR Hedged Class</b>
	USD 5,000	AUD 5,000	SGD 5,000	RM 5,000	RM 5,000
<i>or such other lower amount as we may decide from time to time.</i>					
<b>Minimum Additional Investment</b>	<b>USD Class</b>	<b>AUD Hedged Class</b>	<b>SGD Hedged Class</b>	<b>MYR Class</b>	<b>MYR Hedged Class</b>
	USD 1,000	AUD 1,000	SGD 1,000	RM 1,000	RM 1,000
<i>or such other lower amount as we may decide from time to time.</i>					

The Fund is open for subscription on each Business Day.

Application of Units must be submitted by completing the account opening form, which accompany this Information Memorandum, which is available at our head office and business centres. Please refer to Chapter 9, List of TA Investment Management Berhad's office, institutional unit trust advisers and authorised distributors for details.

Individual or joint application must be accompanied by a copy of the NRIC / passport or other documents of identification.

Corporate application must be accompanied by, where applicable, a certified true copy of the board resolution, certificate of incorporation, memorandum and articles of association or constitution, Form 24 or return for the allotment of shares under Section 78 of the Companies Act 2016, Form 44 or notice under Section 46 of the Companies Act 2016, Form 49 or notice under Section 58 of the Companies Act 2016, the latest audited financial statement, a list of the authorised signatories and their respective specimen signatures.

The completed documents, together with the remittance of moneys in the form of personal cheques, banker's cheques, bank drafts, money orders, postal orders, advice slip (cheque / cash deposited directly to our bank account) or online transfer statement must be attached. Bank charges, where relevant, for outstation cheques will be borne by investors. The validity of the transaction is dependent upon clearance of the payment made to us.

Any application form received through fax will only be deemed complete after we receive the original copy of the form together with the remittance of moneys. Receipt of fax copy will not be an indication of acceptance of application by us or completion of transaction. We shall not be responsible for



applications not processed as a result of incomplete transmission of fax. Valid application received by our office before 4.00p.m. on any Business Day be it via fax, send in by post or walk-in, will be processed based on the NAV per Unit calculated at the end of the Business Day. Any application received after 4.00p.m. will be deemed to have been received on the next Business Day. If an application is received on Saturday, the request will be processed based on the NAV per Unit calculated after the close of the next Business Day, which in this case will normally be on Monday. We reserve the right to reject any application that is unclear, incomplete and / or not accompanied by the required documents. Incomplete applications will not be processed until all the necessary information has been received.

**Note: We reserve the right to accept or reject any application in whole or part thereof without assigning any reason.**

All applicants intending to invest in a Class other than MYR Class and MYR Hedged Class are required to have a foreign currency account with any financial institution as all transactions relating to the particular foreign currency will ONLY be made via telegraphic transfers.

**SOPHISTICATED INVESTORS ARE ADVISED NOT TO MAKE ANY PAYMENT IN CASH TO ANY INDIVIDUAL AGENT WHEN PURCHASING UNITS OF THE FUND.**

**PLEASE BE ADVISED THAT IF THE SOPHISTICATED INVESTOR INVESTS IN UNITS THROUGH AN IUTA WHICH ADOPTS THE NOMINEE SYSTEM OF OWNERSHIP, THE SOPHISTICATED INVESTOR WOULD NOT BE CONSIDERED TO BE A UNIT HOLDER UNDER THE DEED AS THE SOPHISTICATED INVESTOR'S NAME WILL NOT APPEAR IN THE REGISTER OF UNIT HOLDERS. THE SOPHISTICATED INVESTOR MAY CONSEQUENTLY NOT HAVE ALL THE RIGHTS ORDINARILY EXERCISABLE BY A UNIT HOLDER (FOR EXAMPLE, THE RIGHT TO CALL FOR A UNIT HOLDERS' MEETING AND TO VOTE THEREAT).**

#### 4.4 REDEMPTION OF UNITS

Redemption of Units can be made by completing a transaction form available from any of our offices or by sending written instructions to any of our offices on any Business Day.

If you give us written instructions, your letter should include:

- (a) your account number;
- (b) the name of the fund and its class of units (if any) that you wish to redeem your units from;
- (c) the number of units that you intend to redeem; and
- (d) instructions on what we should do with the moneys (e.g. credit into your bank account).

Redemption requests sent via fax are also accepted by us. Receipt of fax copy should not be an indication of acceptance of a redemption request by us or completion of transaction. We shall not be responsible for redemption requests that are not processed as a result of incomplete transmission of fax. We reserve the right to reject any redemption request that is unclear, incomplete and/ or not accompanied by the required documents. Investors are strongly advised to contact our customer service to confirm receipt of instruction given by fax.

The Fund will be valued on a daily basis and the daily prices of the Fund will be published on the next Business Day. Information on the Fund's Unit prices are available on our website [www.tainvest.com.my](http://www.tainvest.com.my) or from our offices listed in the Chapter 9, List of TA Investment Management Berhad's Office, institutional unit trust advisers and authorised distributors.

Any valid redemption request received by our head office or any of our business centres before 4.00p.m. on a Business Day will be processed based on the NAV per Unit calculated at the next valuation point. A request received after 4.00p.m. will be deemed to have been received on the next Business Day. If a redemption request is received on Saturday, the request will be processed based on the NAV per Unit calculated at the close of the next Business Day, which in this case will normally be Monday.

Redemption proceeds will be paid to you within ten (10) days based on the selected payment method stated in the transaction form received by our head office. In case of joint holders, we will process the redemption request based on the operating instruction stated in the account opening form when you first invested in the Fund.

#### 4.5 BASES OF VALUATION OF THE ASSETS OF THE FUND AND VALUATION FOR THE FUND

##### 4.5.1 Bases of Valuation of the Assets of the Fund

The bases of valuation of the respective asset classes of the Fund are as follows:

<b>Investment Instruments</b>	<b>Valuation Basis</b>
<b>Collective investment schemes</b>	Investments in collective investment schemes will be valued based on the last published redemption price.
<b>Money market instruments</b>	Investments in money market instruments are valued at book cost, meaning cost of acquisition plus accretion of discount on yield to maturity method. For investments in commercial papers, such instruments are valued each day based on the price quoted by a bond pricing agency registered by the SC.
<b>Derivatives</b>	Derivatives are marked-to-market on a daily basis, where possible. Otherwise, the valuation will be based on fair value as determined in good faith by us on methods and bases that have been verified by the auditor of the Fund and approved by the Trustee.
<b>Deposits</b>	Deposits placed with financial institutions will be valued each day by reference to the principal value of such investments and interest accrued thereon, if any, for the relevant period.
<b>Foreign exchange conversion</b>	Foreign exchange conversion of foreign investments for a particular Business Day is determined based on the bid exchange rate quoted by Bloomberg or Reuters at UK time 4.00p.m. which is equivalent to 11.00p.m. or 12.00 midnight (Malaysia time) on the same day, or such other time as prescribed from time to time by Federation of Investment Managers Malaysia or any relevant laws.
<b>Any other instruments</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.

#### 4.6 DISTRIBUTION PAYMENT

Subject to availability of income, distribution is incidental. Distribution income, if any, will be paid out in the currencies which the Class(es) are denominated. Unit Holders may choose to receive any distribution declared in either of the following methods:

##### Reinvestment of Units

We will create the Units based on the NAV per Unit of the Class on the Reinvestment Date. There will not be any additional cost for reinvestment of those additional Units, i.e. no sales charge will be imposed on such transaction.

Any distribution payable which is less than or equal to the amount of USD/AUD/SGD/MYR 50.00 would be automatically reinvested.

In the absence of instructions to the contrary, distribution of income from the Fund will be automatically reinvested, at no charge, into additional Units of the Fund based on the NAV per Unit on the Reinvestment Date.

Cash Payment

Unit Holders should note that distribution payments, if any, will be made in the respective currency of the Class(es). As such, the distribution amount may be different for each Class as a result of exchange rate movement between the base currency of the Fund and the denominated currency of the Class(es). The distribution will be paid into your bank account (which shall be in the respective currency of the Class(es)) in our records. All the cost and expenses incurred in facilitating such distribution payments shall be borne by Unit Holders.

**Note:**

*Any change in distribution instruction must be in writing. If this is done in the last 14 days before the distribution declaration date of the Fund, the change will only take effect from the next distribution point, if any.*

## CHAPTER 5: THE MANAGER

### 5.1 Background Information

The Manager of the Fund is TA Investment Management Berhad (“TAIM”). TAIM was incorporated on 17 April 1995 and commenced operations on 1 July 1996. TA Securities Holdings Berhad, a wholly owned subsidiary of TA Enterprise Berhad, is the holding company of TAIM. TA Enterprise Berhad, an investment holding company listed on Bursa Malaysia, has years of exposure and experience in investing in the Malaysian securities markets.

The principal activities of TAIM are the establishment and management of unit trust funds and portfolio clients. TAIM has more than twenty (20) years of experience in managing unit trust funds. Currently, TAIM manages twenty one (21) unit trust funds, of which thirteen (13) are conventional funds and eight (8) are Islamic funds. As at LPD, the fund size managed by TAIM stood at RM1.83 billion, being a combination of unit trust funds and direct mandate portfolios under its management.

### 5.2 Role, Duties and Responsibilities of the Manager

TAIM is responsible for the day to day management of the Fund and for the development and implementation of appropriate investment strategies. The main tasks performed by TAIM include:

- managing investments portfolio;
- processing the sale and redemption of Units;
- keeping proper records for the Fund;
- valuing investments of the Fund; and
- distributing income and additional Units to the Unit Holders.

### 5.3 Investment Team

#### Mr. Lam Chee Mun –Designated fund manager for the Fund

Mr. Lam Chee Mun, is the investment manager for TAIM. He holds a Bachelor of Business (BBBA) Degree from RMIT University, Australia. His responsibilities cover fixed income credit evaluation and regional equity investment research. He works closely with the Investment team on fixed income, money market and equity investment of TAIM funds. He is also involved in structured products and fund of funds investment of TAIM. Prior to joining TAIM, Mr. Lam was attached to KL Unit Trust Berhad as a compliance manager for 4 years and a local stockbroking company for 6 years.

### 5.4 Material Litigation

As at LPD, TAIM is not engaged in any material litigation and arbitration, including those pending or threatened, and is not aware of any facts likely to give rise to any proceedings which might materially affect its business/financial position.

**Further information on the Manager, key personnel of the Manager, the board of directors' profile, investment committee, investment team and etc. can be obtained from the Manager's website at [www.tainvest.com.my](http://www.tainvest.com.my).**

## CHAPTER 6: TRUSTEE

### 6.1 About CIMB Commerce Trustee Berhad

CIMB Commerce Trustee Berhad was incorporated on 25 August 1994 and registered as a trust company under the Trust Companies Act, 1949 and having its registered office at Level 13, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral 50470, Kuala Lumpur, Malaysia. The Trustee is qualified to act as a trustee for collective investment schemes approved under the Capital Markets and Services Act 2007.

### 6.2 Experience as Trustee to Unit Trust Funds

CIMB Commerce Trustee Berhad has been involved in unit trust industry as trustee since 1996. It acts as trustee to various unit trust funds, real estate investment trust fund, wholesale funds and private retirement schemes.

### 6.3 Roles, Duties and Responsibilities of the Trustee

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

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

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

### 6.4 Trustee's Delegate (Custodian)

CIMB Commerce Trustee Berhad has delegated its custodian function to CIMB Bank Berhad ("CIMB Bank"). CIMB Bank's ultimate holding company is CIMB Group Holdings Berhad, a listed company on Bursa Malaysia. CIMB Bank provides full fledged custodial services, typically clearing, settlement and safekeeping of all types of investment assets and classes, to a cross section of investors and intermediaries client base, both locally and overseas.

For the local Ringgit assets, they are held through its wholly owned nominee subsidiary "CIMB Group Nominees (Tempatan) Sdn Bhd". For foreign non-Ringgit assets, CIMB Bank appoints global custodian as its agent bank to clear, settle and safekeep on its behalf and to its order.

All investments are automatically registered in the name of the custodian to the order of the Trustee. CIMB Bank acts only in accordance with instructions from the Trustee.

#### **6.5 Trustee's Disclosure of Material Litigation and Arbitration**

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

## CHAPTER 7: SALIENT TERMS OF THE DEED

### 7.1 Rights and Liabilities of the Unit Holders

#### Rights of the Unit Holders

As a Unit Holder, and subject to the provisions of the Deed, you have the right:

- (a) to receive distribution of income (if any);
- (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 receive annual and quarterly reports of the Fund; and
- (e) 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 Fund's assets or be entitled to interfere with or question the exercise by the Trustee, or the Manager on its behalf, of the rights of the Trustee as the registered owner of such assets.

#### Liabilities of Unit Holders

No Unit Holder is liable for any amount in excess of the purchase price paid for the Units as determined in accordance to the Deed at the time the Units were purchased and any charges payable in relation thereto.

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 exceed the value of the Fund's assets, and any right of indemnity of the Manager and/or the Trustee shall be limited to recourse to the Fund.

### 7.2 Termination of the Fund

The Manager may terminate the Fund in accordance with the relevant laws. If the Fund is left with no Unit Holders, the Manager shall be entitled to terminate the Fund. The Manager, upon termination, shall notify the existing Unit Holders of the Fund in writing of the following options:

- 1. to receive the net cash proceeds derived from the sale of all the Fund's assets less any payment for liabilities of the Fund and any cash produce available for distribution, in proportion to the number of Units held by the Unit Holders respectively;
- 2. to use the net cash proceeds to invest in any other wholesale fund managed by the Manager upon such terms and conditions as shall be set out in the written notification; or
- 3. to choose any other alternative as may be proposed by the Manager.

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

### 7.3 Power to call for a Meeting by 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.

The Unit Holders may direct the Manager to summon a meeting for any purpose including without limitation, for the purpose of:

- (a) requiring the retirement or removal of the Manager;
- (b) requiring the retirement or removal of the Trustee;
- (c) considering the most recent financial statements of the Fund;
- (d) giving to the Trustee such directions as the meeting thinks proper; or
- (e) considering any matter in relation to the Deed,

provided always that the Manager shall not be obliged to summon such a meeting unless a direction has been received from not less than fifty (50) or one-tenth (1/10) of all the Unit Holders of the Fund or a particular Class (as the case may be), whichever is the lesser number.

Every question arising at any Unit Holders' meeting shall be decided in the first instance by a show of hands unless a poll is demanded or, if it be a question which under the Deed requires a Special Resolution. On a voting by show of hands every Unit Holder who is present in person or by proxy shall have one vote. On a voting by poll, the votes by every Unit Holder present in person or by proxy shall be proportionate to the value of Units held by him.

The quorum required for a meeting of the Unit Holders of the Fund or a Class (as the case may be) shall be five (5) Unit Holders, whether present in person or by proxy, provided that if the Fund or a Class (as the case may be) has five (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 two (2) Unit Holders, whether present in person or by proxy; if the meeting has been convened for the purpose of voting on a Special Resolution, the Unit Holders present in person or by proxy must hold in aggregate at least twenty five per centum (25%) of the Units in circulation at the time of the meeting.



## CHAPTER 8: ADDITIONAL INFORMATION

### 8.1 Reports and up-to-date information relating to the Fund

The quarterly and annual reports of the Fund will be forwarded to Unit Holders no later than two (2) months after such periods.

Unit Holders can also obtain up-to-date Fund information from our monthly fund fact sheets via our website at <http://www.tainvest.com.my>.

As for the Fund's daily NAV per Unit, it will be published through our website at <http://www.tainvest.com.my>. Unit Holders may also contact us during our business hours from 9.00a.m. to 6.00p.m. from Monday to Friday to obtain the latest NAV per Unit of the Fund.

**Note: The Fund's annual report is available upon request.**

### 8.2 Customer Service

When you invest in the Fund, we will send you the following:

- Written confirmation on all transactions and income distributions (if any);
- Monthly statement of account which shows the balance of Unit Holder's investments and all transactions made during the month, distribution details and investment value;
- Unaudited quarterly report for each of the Fund's financial quarter; and
- Annual audited report for the Fund's financial year-end.

If you have any questions about the information in this Information Memorandum or would like to know more about investing in any investment funds managed by us, please contact our authorised distributors or our Customer Service Officers on toll free 1-800-38-7147 between 9.00 a.m. and 6.00 p.m., from Monday to Friday (except public holidays).

Investors would also be able to obtain the latest information on the funds managed by us as well as market updates on our website, [www.tainvest.com.my](http://www.tainvest.com.my).

### Where Units Can Be Purchased or Redeemed

In relation to the information on where Units can be purchased or redeemed, please refer to the addresses and contact numbers of our head office and business centres as disclosed in Chapter 9 of this Information Memorandum.

### AIMS@TA Investment

is an online service that assists you in the administration and tracking of your unit trust investments more effectively and efficiently at our website, [www.tainvest.com.my](http://www.tainvest.com.my). There is no registration fee.

For security and compliance purposes, corporate investors who wish to register with the facilities are required to complete a hardcopy of a user application form that is available online.

### 8.3 Anti-Money Laundering Policy

A customer acceptance procedure, which includes the identification and verification of identity of new customers, is conducted prior to entering into the relationship by risk-based approach. Information, documents and evidences will be obtained depending on the types of applicant i.e. individual or corporate clients, etc. The classification of customer is based on Customer Due Diligence ("CDD") whereby customers are classified into different risk level according to their background and investment threshold. The normal risk customers are required to undergo a standard CDD procedure while the increased risk customers are required to undergo an enhanced CDD procedure. Any suspicious transactions for Anti Money Laundering and Anti-Terrorist Financing will be reported to our Compliance

Officer as well as to the local regulators. All employees involved with customers and in processing transactions are required to adhere to these policies and procedures.

#### **8.4 Unclaimed Moneys Policy**

Any moneys payable to Unit Holders which remain unclaimed after twelve (12) months from the date of payment will be paid to the Registrar of Unclaimed Moneys by us in accordance with the requirements of the Unclaimed Moneys Act 1965. Unit Holders will have to liaise directly with the Registrar of Unclaimed Moneys to reclaim their moneys.

## CHAPTER 9: LIST OF TA INVESTMENT MANAGEMENT BERHAD'S OFFICE, INSTITUTIONAL UNIT TRUST ADVISERS AND AUTHORISED DISTRIBUTORS

### Head Office

TA Investment Management Berhad  
23<sup>rd</sup> Floor, Menara TA One  
22 Jalan P. Ramlee  
50250 Kuala Lumpur

Telephone number: +603 2031 6603  
Facsimile number: +603 2031 4479  
Toll Free: 1-800-38-7147  
Email address: investor.taim@ta.com.my  
Website: www.tainvest.com.my

**Miri Business Centre** Lot 1251, 1<sup>st</sup> Floor, Block 10  
Miri Concession Land District,  
Centrepont Commercial Centre  
Jalan Melayu, 98000 Miri  
Sarawak  
Tel: 085-430 415  
Fax: 085-436 044

**Kota Kinabalu Business Centre** Unit 4-1-02, 1<sup>st</sup> Floor  
Block 4, Api-Api Centre  
Jalan Centre Point  
88000 Kota Kinabalu, Sabah  
Tel: 088-268 023  
Fax: 088-248 463

**Kuching Business Centre** L204, 1<sup>st</sup> Floor  
Jalan Tunku Abdul Rahman  
93100 Kuching  
Sarawak  
Tel: 082-233 203  
Fax: 082-232 203

**Penang Business Centre** 15-1-8, Bayan Point,  
Medan Kampung Relau  
11900 Pulau Pinang  
Tel: 04-645 9801  
Fax: 04-611 9805

**Melaka Business Centre** 57A, Jalan Merdeka  
Taman Melaka Raya  
75000 Melaka  
Tel: 06-288 2687  
Fax : 06-281 0739

### Institutional Unit Trust Advisers or Authorised Distributors

For more details on the list of appointed IUTAs or authorised distributors, please contact us.

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